



REFERENCE DOCUMENT 2010



Pursuant to Article 212-13 of the General Regulations of the *Autorité des Marchés Financiers* (AMF), this reference document was filed with the AMF on 29 April 2011 under the number D. 11-426. It may be used in support of a financial operation if accompanied by a “note d’opération” (securities note) approved by the AMF. This document has been authored by the issuer and is binding upon the signatories.

Pursuant to Article 28 of European Commission (EC) Regulation 809/2004, the following information is included in this reference document by way of reference:

- The consolidated and individual financial statements for the fiscal year ended 31 December 2008, as well as the related auditors’ reports, appear on pages 56 to 136 of the reference document filed with the AMF on 4 June 2009 under number D.09-476.
- The consolidated and individual financial statements for the fiscal year ended 31 December 2009, as well as the related auditors’ reports, appear on pages 71 to 148 of the reference document filed with the AMF on 2 June 2010 under number D.10-0496.

Copies of this document are available at the business address of Gameloft SA– 14, rue Auber – 75009 Paris and at the company’s registered office.

Registered office: 81 rue de Reaumur 75002 Paris
French corporation with capital of 3,754,146.20 euros
Tel.: (33) 1 58 16 20 40
Paris Corporate and Trade Register No. 429 338 130 - NAF code 5821Z

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1. PERSONS RESPONSIBLE FOR THE DOCUMENT AND FOR THE AUDIT OF THE FINANCIAL STATEMENTS

1.1 Person Responsible for the Reference Document

Mr Michel Guillemot

Chief Executive Officer of Gameloft SA (hereinafter the “company” or “Gameloft”)

1.2 Certification of the Person Responsible for the Document

“I hereby certify, after taking all reasonable measures in this respect, that the information contained in this reference document is, to my knowledge, true and correct and that there are no omissions that could impair its meaning.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and fairly reflect the assets, financial position and earnings of the company and of all the consolidated companies, and that the management report appearing on pages 12 to 148 fairly reflects changes in the business, profit and financial position of the company and of all the consolidated companies and provides a description of the main risks and uncertainties to which they are exposed.

I have obtained from the statutory auditors, Audit AMLD and MB Audit, a letter of audit completion indicating that they have audited the information concerning the financial position and financial statements presented in this reference document and have read the reference document in its entirety.

The consolidated financial statements presented in this reference document were the subject of statutory auditors’ reports appearing on page 118 of the current reference document for the fiscal year ended 31 December 2010. These reports were issued without qualification and contain the caveat that deferred tax assets in the amount of €10,291,000 on Gameloft SA’s fiscal deficit do not appear in the financial statements for the fiscal year.

The individual financial statements presented in this reference document were the subject of statutory auditors’ reports appearing on page 147 of the current reference document for the financial year ended 31 December 2010. These reports were issued without qualification.

The consolidated financial statements for the fiscal year ended 31 December 2009 were the subject of statutory auditors’ reports prepared according to IRFS standards and contain two comments regarding changes in accounting methods and standards following the 1 January 2009 implementation of new accounting standards and interpretations and changes to assessment methods during the fiscal period featured in section 3.1.8 of the 2009 Gameloft reference document submitted to the AMF on 2 June 2010 under number D. 10-0496.

The individual financial statements for the fiscal year ended 31 December 2009 were the subject of statutory auditors’ reports and contain a comment regarding changes in accounting methods and standards contained in section 3.2.6.2 of the 2009 Gameloft reference document submitted to the AMF on 2 June 2010 under number D. 10-0496.

Paris, 28 April 2011,

Mr Michel Guillemot

Chairman of the Board of Directors and Chief Executive Officer

1.3 Persons Responsible for the Audit of the Financial Statements

1.3.1 Principal Auditors

	Date of 1st Appointment	Term and Expiration Date
Audit AMLD 27A Bvd Solférino 35000 Rennes	29 June 2006	Six fiscal years expiring after the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2011
MB Audit 23 rue Bernard Palissy 35000 Rennes	29 June 2006	Six fiscal years expiring after the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2011

1.3.2 Alternate Auditors

	Date of 1st Appointment	Term and Expiration Date
Mr Pierre Borie 15 rue Charles Le Goffic 35700 Rennes	1 December 1999	Six fiscal years expiring after the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2011
Cabinet Chevry et Associés 16 boulevard de Bel Air 75012 Paris	1 December 1999	Six fiscal years expiring after the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 December 2011

1.4 Person Responsible for Financial Communications

Mr Michel Guillemot
Chief Executive Officer
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1.5 Financial Communications Schedule

Publication of 2011 half-year revenue: 1 August 2011.

2. MANAGEMENT REPORT

2.1. Group Activity and Earnings for Fiscal Year 2010

2.1.1 Presentation of the Group

2.1.1.1 History – Company Activity

A world leader in the development and publishing of downloadable video games, Gameloft has positioned itself since the year 2000 as one of the top innovators in its field. Gameloft creates games for every digital platform, including mobile telephones, smartphones and tablets (Apple iOS and Android), set-top boxes, Smart TVs, social networks, and consoles. Partnership agreements with major rights holders allow Gameloft to associate its games with some of the biggest international brands, like Spider-Man, *UNO*, *Avatar*, Ferrari and *Sonic Unleashed*. Gameloft has its own portfolio of original properties with established franchises like *Real Football*, *Asphalt*, *Modern Combat 2: Black Pegasus* and *N.O.V.A. (Near Orbit Vanguard Alliance)*. Gameloft has a studio on every continent, distributes its games in 100 countries and today employs nearly 4,800 people in 26 countries across the world: France, Germany, the United Kingdom, Italy, Spain, Bulgaria, the United States, Canada, Japan, China, Vietnam, Argentina, Mexico, India, Indonesia, South Korea, Romania, Brazil, Hong Kong, Singapore, Australia, Ukraine, Hungary, the Czech Republic, the Philippines, and Venezuela.

2.1.1.1.1 Mobile and Tablet Games

The use of mobile telephones has spread very quickly. The number of worldwide mobile subscribers was estimated at 5 billion at the end of 2010¹ versus only 100 million in 1996². This figure makes the mobile telephone the most adopted personal technology in the world, just ahead of the television (4.9 billion), and far ahead of the PC (1.9 billion)³. For a game developer and publisher, this user base represents a unique opportunity to sell its products to a population that is considerably larger than that of traditional video games. For this reason, the Gameloft Group has positioned itself in this market since 2000, where it has become a major player thanks to a diversified game catalogue, strong licences and the largest customer and distributor networks in the market.

The application in 2002 of Java and Brew technologies to mobile telephones completely revolutionised the mobile phone games market. These technologies paved the way for three major advances:

- Consumers can download action games directly onto their mobile phones. Downloading through a telecommunications network gives consumers flexibility and total freedom when purchasing and saving games. These games can be kept on the phones for as long as the consumer wants, at no additional cost.
- The downloading of a game and the quality of the game itself are not dependent on the quality of the telecom networks. Telecommunications networks, whether 2G or 3G, allow consumers to download a game in less than one minute. 3G or “third generation” networks, therefore, do not necessarily have to be implemented to download a Gameloft game. Moreover, once the game is downloaded, consumers play directly on their telephone without being connected to the network. This means that a game cannot be interrupted as a result of network failures. In addition, there is no connection cost for the consumer to play a downloadable game. The price of a downloadable Gameloft game is therefore limited to its sale and download price, which generally runs between three and six euros in developed countries and between 0.5 and 2 euros in emerging countries.
- Java and Brew technologies are standards to which all telephone manufacturers are gradually being forced to adhere. This standardisation allows Gameloft to run its games at a low cost on most of the new telephones sold today. In 2008, the number of Java telephones worldwide was 2.1 billion compared to 1 billion in 2006 and 579 million in 2005⁴.

¹ Source: iSuppli Corp, September 2010

² Source: CSFB, July 2002

³ Source: ZDnet.fr, September 2009

Gameloft was one of the first companies in the world to develop games for Java and Brew telephones and has offered an extensive catalogue of downloadable games since the end of 2002. This catalogue is compatible with most Java and Brew telephones sold today. The games run on Nokia, Motorola, Samsung, Sony Ericsson, Sharp, LG, and Mitsubishi telephones, to name a few. All in all, the company currently offers more than 300 Gameloft games which can be downloaded onto more than 600 different models of mobile phones.

In 2008, the arrival of a new generation of mobile phones, commonly referred to as smartphones, brought on a second major shift in the mobile video game market. Unlike Java and Brew, smartphone games are developed natively, in other words, directly on the telephone's operating system (Apple's iOS, Google's Android, Nokia's Symbian, Microsoft's WP7, Samsung's Bada, etc.). These smartphones allow for the production of games that are several hundred megabytes in size while Java and Brew only allowed for applications of 1 or 2 megabytes. Furthermore, the vast majority of smartphones have a touchscreen and a motion-sensing gyroscope which allow for greater immersion and for a greater variety of possible game types. The gameplay experience on a smartphone is therefore appreciably better than it would be on a telephone that uses Java and Brew, while the sale price of a smartphone game is only slightly higher than that of a Java or Brew game. For consumers, the price-quality ratio of a mobile game is therefore significantly increased thanks to the smartphone and consequently these consumers now download three to four times more games on their smartphones than they did on their Java and Brew telephones. As a result, the mobile game market witnessed a second growth phase in 2008. The smartphone is progressively replacing the Java and Brew telephone around the world and should allow the mobile video game industry to continue to grow in the coming years. To date, Gameloft has developed nearly 100 smartphone games and a significant proportion of its teams now work in the development of new high-definition games for smartphones.

The release of touch tablets in 2010, particularly Apple's iPad, has meant that, in addition to smartphones, there is a new platform for downloadable games. Gameloft immediately positioned itself at the forefront of these new devices which have experienced tremendous success and which share the same business model as smartphones. Gameloft has developed roughly forty tablet games so far for Apple, Samsung, LG, etc. and has established itself as a major player in this new market niche.

Across the world, Gameloft has three distinct distribution networks for its mobile and tablet games: telecom operators, telephone manufacturers and its own portal.

1. Gameloft games are distributed by more than 200 telecom operators in over 80 countries worldwide. The number of potential consumers to which Gameloft has direct access via these operators is more than 2 billion. To date, none of Gameloft's competitors has a comparable distribution network. Mobile telephone subscribers can purchase and download Gameloft games directly onto their telephones through the operator's portal. Purchasing games is a fast, simple process which costs the consumer a mere three to six euros on average in western countries. The operator's portal provides access to Gameloft's game catalogue. This catalogue describes the games and indicates their price. Consumers simply select the game and download it to their telephone. Billing is handled by the operator with the cost of the game included in the consumer's telephone bill. In this case, the operator acts as a distributor of Gameloft games and the revenues generated are shared between the operator and Gameloft.

2. The telephone manufacturers that are currently Gameloft customers and partners are Nokia, Samsung, Apple, LG, Sony-Ericsson, Motorola, Sharp, RIM, Palm, HTC, Huawei, etc. These manufacturers recently created their own mobile game download portals which compete directly with the operators' portals. Gameloft therefore sells its mobile games through Nokia (OVI store), Samsung (Samsung Apps), Apple (AppStore for iPhone, iPod and iPad), Google (Android), RIM (App World), etc. The manufacturer acts as a distributor of Gameloft games and the revenues generated are shared between the manufacturer and Gameloft. Sales of the company's iPhone and iPod touch games have boomed since the launch of Apple's AppStore with more than 30 million games sold to date, placing Gameloft at the top of the App Stores worldwide sales ranking. Gameloft currently has 85 games on offer through the AppStore for the iPhone and iPod touch and foresees increasing its investment in this platform in 2011. Apple has quickly become Gameloft's top partner in terms of sales figures and represents 22% of Gameloft's revenue for fiscal year 2010 (compared with 6% in 2008 and 16% in 2009).

In addition to offering downloadable games on manufacturers' portals, some manufacturers buy one or more games from Gameloft at a fixed price and integrate them directly into their telephones. The game can therefore be used by the consumer immediately at no additional cost.

In the end, Gameloft expects manufacturers' share in the distribution of its mobile games to increase significantly in the coming years.

⁴ Source: Sun Microsystems, Ovum, June 2008

3. Mobile and tablet games can also be downloaded directly from the various Gameloft portals and specifically off the company's internet and mobile internet sites. The direct sale of games is a major growth factor for Gameloft and the company employs roughly 240 people on its e-Commerce team.

2.1.1.1.2 Console Games, Smart TV Games and Social Gaming

Since 2008, a new generation of game consoles has been made available to consumers, allowing them to download games rather than purchase them in stores as game cartridges. Gameloft immediately positioned itself in this new "downloadable" console market. For instance, in March 2008 the company launched its first game, *Brain Challenge*, for Microsoft's Xbox Live Arcade service. This service allows Xbox console owners to download mass market games via the Internet at a price far below that of game cartridges sold in stores. Xbox Live Arcade games are therefore sold at around 5 to 10 euros in Europe and \$5 to \$10 in the United States. *Brain Challenge* topped sales charts of Xbox Live Arcade games immediately after its release. In addition, Gameloft now offers 12 and 20 games respectively for Nintendo's WiiWare and DSiWare services and 8 games for Sony's PS3 and PSP via the PlayStation network service, which run based on the same principle as Xbox Live Arcade. Gameloft anticipated the emergence of a new market, downloadable games on traditional consoles, and as a result has become a major game publisher for WiiWare, DSiWare, Xbox Live Arcade, as well as PS3 and PSP games on the PlayStation Network. In February of 2011, shortly after its launch, Gameloft's *Modern Combat: Domination* reached the top sales rank on Sony's PlayStation Store in the United States and Japan.

In addition to making console games, Gameloft creates games for the latest generation of set-top boxes and Smart TVs. Major agreements have been signed with Iliad regarding its FreeBox Revolution, as well as with Panasonic regarding its new line of Smart TVs. Thanks to new technologies embedded in set-top boxes or directly in televisions, consumers can now download video games and play them directly on their television without needing a game console. Naturally, Gameloft has taken an interest in these new platforms which have many points in common with its existing downloadable-game activities for consoles.

Finally, in 2010, Gameloft has entered the social gaming market. Today, 250 developers work internally on these games, whose main goal is to bring together players within the game itself and to allow them to exchange messages, virtual gifts, etc. Facebook is the main platform on which these games are played but other social networks across the world also allow the distribution of the company's games. To date, Gameloft has launched two social games on several social networks, including Facebook, and is currently developing roughly 10 more which should be released in the next few months. These social games are also being developed for mobile platforms and for smartphones made by Apple, Android, etc.

2.1.1.2 Group Strategy

The company is now reaping the benefits of its investments with its ability to create and distribute games. These investments have allowed Gameloft to grow very rapidly since 2000 and to position itself as a market leader which has also translated into the increased profitability of the company. Gameloft now has:

- the greatest internal development capabilities in the industry, well ahead of its competitors;
- unique know-how that is illustrated by the numerous prizes that its mobile games have received around the world;
- a catalogue of 85 iPhone games and 40 games for iPad. Gameloft has also launched roughly 100 titles for Google, Nokia, Samsung, LG, Sony Ericsson, Palm, and RIM smartphones;
- a catalogue of Java and Brew games that generate recurring revenue, including more than 300 games on more than 600 models of mobile telephones;
- new internal and external licenses that have been successfully added to the Gameloft catalogue, such as *Modern Combat: Black Pegasus*, *Dungeon Hunter: Alliance*, *Sonic Unleashed*, *Street Fighter*, *Resident Evil*, *Iron Man 2*, *Shrek Forever After*, *Real Football 2011*, *Asphalt 6: Adrenaline*, *UNO*, *The Chronicles of Narnia: The Voyage of the Dawn Treader*, *Jurassic Park*, *Spider-Man*, *Avatar*, Ferrari, and NBA;
- a unique distribution network made up of more than 200 operators that distribute Gameloft's games in more than 80 countries around the world;

- a growing number of market opportunities for its products as indicated by the release of Gameloft games for the iPhone, Android and other smartphones, for touch tablets, for home consoles, on social networks, on Smart TVs, and on Internet Service Providers' set-top boxes.

The company's long-term objective is to retain its position as world leader in downloadable games for mobile telephones and consoles. The company is pursuing this goal by:

- creating in-house a diversified, high-quality catalogue of downloadable games;
- making this catalogue available on the largest number of platforms;
- including world-renowned licenses in its catalogue;
- implementing the most extensive distribution network in the world.

2.1.1.2.1 The Only Game Catalogue of Its Kind in the World

To date, more than 4,000 Gameloft Group employees are involved in developing mobile phone and console games. This creative force, unparalleled in the gaming industry, has allowed the company to develop a catalogue of more than 300 games covering all genres, including mass market, action, sport, puzzle and adventure games, to name a few. The development activity includes both the creation of new games and porting, a process by which each new game is adapted to all existing platforms and models. The greatest barrier to penetrating the downloadable game industry is the large number of telephone models, tablets, and consoles on the market. All mobile phone manufacturers develop their own lines of phones which differ from their competitors' models. Although the technology used is the same from one platform to another, the screens differ in size, the processors have different characteristics, and so on. Each game must therefore be adapted to many models in order to reach the largest number of consumers. Today, for example, Gameloft's catalogue covers 600 different telephones in 12 languages, making it accessible to the vast majority of mobile telephone owners.

Gameloft's Game Catalogue

Action/Adventure	Mass Market/Arcade	Sports
Air Strike 1944	1000 Words	Asphalt: Urban GT
America's Army: Special Operations	1 vs. 100	Asphalt: Urban GT 3D
American Gangster	Abracadaball	Asphalt: Urban GT II
Assassin's Creed	Deal or No Deal	Asphalt: Urban GT II 3D
Assassin's Creed HD	The Legend of Beowulf	Asphalt 3: Street Rules
Assault Wings 1944	Block Breaker Deluxe	Asphalt 3: Street Rules 3D
Brothers in Arms 3D	Block Breaker Deluxe 2	Asphalt 4: Elite Racing
Brothers in Arms: Earned in Blood	Brain Challenge	Asphalt 4: Elite Racing 3D
Brothers in Arms: Art of War	Brain Challenge 2: Anti-Stress	Asphalt 5
Cartel Wars	Bubble Bash	Asphalt 6: Adrenaline
Chuck Norris: Bring on the Pain	Castle of Magic	Death Race
Diamond Rush	Catz	Derek Jeter Pro Baseball 2005
Die Hard 4.0	Chessmaster	Derek Jeter Pro Baseball 2006
Earth Invasion	Christmas Pool	Derek Jeter Pro Baseball 2005 3D
Far Cry 2	Cluster Pirate	Derek Jeter Pro Baseball 2006 3D
Gangstar	Desperate Housewives	Derek Jeter Pro Baseball 2007
Gangstar 2: Kings of L.A.	Diamond Twister	Driver: L.A. Undercover
Ghost Recon 2	Dogz	Extreme Forest Shooting
Ghost Recon: Jungle Storm 3D	Domino Fever	Marcel Desailly Pro Soccer
Gulo's Tale	Figures and Letters	Real Football 2006
Heroes	E=M6	Real Football 2006 3D
Hero of Sparta	Fatal Bazooka	Real Football 2007
Horse Riding Academy	Fort Boyard	Real Football 2007 3D
Jurassic Park	Football Trivia	Real Football 2008
King Kong	Gameloft Backgammon	Real Football 2009
Surf's Up	Gameloft Casino	Real Football 2009 3D
Lost	Gameloft's Solitaire	Real Football 2010
Medieval Combat: Age of Glory	Grey's Anatomy	Real Football 2011

The Mummy: Tomb of the Dragon Emperor	Guitar Rock Tour	GT Racing: Motor Academy
Might and Magic	Holiday Midnight Pool	Ultimate Street Football
Might and Magic II	Ibiza Beach Party	Football Mega Party
Mission: Impossible 3	King Kong Pinball	Real Football 2008: European Tournament
Nightmare Creatures	Las Vegas Nights: Temptations in the City	Real Football: Manager Edition 2009
Open Season	CSI: NY	AND1 Streetball
Pirates of the Seven Seas	CSI: Miami	Ferrari GT: Evolution
Planet Zero	Lock'em Up	Ferrari: World Championship
Prince of Persia: The Two Thrones	Date or Ditch	Kobe Bryant Pro Basketball 2008
Prince of Persia: Harem Adventures	Love Triangle: Dating Challenge	K.O. Fighters
Prince of Persia: The Sands of Time	Megacity Empire: New York	Massive Snowboarding 3D
Prince of Persia: Warrior Within	Miami Nights: Singles in the City	NBA Pro Basketball 2009
Prince of Persia Classic	Midnight Bowling	NBA Smash!
Prince of Persia HD	Midnight Bowling 3D	Nitrostreet Racing
Rail Rider: The Devil's Mine	Midnight Bowling 2	Off-Road Dirt Motocross
Rainbow Six: Raven Shield	Midnight Casino	Pro Rally Racing
Rainbow Six: Broken Wing	Midnight Darts	Pro Moto Racing
Rainbow Six: Urban Crisis	Midnight Hold'em Poker	Vijay Singh Pro Golf 2007
Rayman 3	Midnight Hold'em Poker 3D	Vijay Singh Pro Golf 2007 3D
Rayman: Raving Rabbids	Midnight Pool	Rayman Golf
Resident Evil: Uprising	Midnight Pool 3D	Rayman Kart
Rise of Lost Empires	Midnight Pool 2	Real Football: Manager Edition 2010
Shrek the Third	Million Dollar Poker Featuring Gus Hansen	Real Rugby 2007
Shrek Party	Mystery Mansion Pinball	Reggie Bush Pro Football 2007
Shrek Forever After	Everyday English Trainer	Vans Skate and Slam feat. Geoff Rowley
Siberian Strike	The Chronicles of Narnia: The Voyage of the Dawn Treader	Samuel Eto'o Street Football
Siberian Strike: Episode II	Naval Battle: Mission Commander	Skate & Slam
Soul of Darkness	New York Nights: Success in the City	Speed Devils
Special Crime Unit: Blood on Campus	New York Nights 2: Friends for Life	Summer Volley
Splinter Cell	Paris Nights	Tennis Open 2007 feat. Lleyton Hewitt
Splinter Cell: Chaos Theory	Paris Hilton's Diamond Quest	Turbo Jet Ski
Splinter Cell: Chaos Theory 3D	Petz	Turbo Jet Ski 3D
Splinter Cell: Double Agent	Platinum Kakuro	
Splinter Cell: Pandora Tomorrow	Platinum Mahjong	
Splinter Cell: Pandora Tomorrow 3D	Platinum Solitaire	
Tom Clancy's Ghost Recon: Jungle Storm	Platinum Solitaire 2	
Tom Clancy's Rainbow Six 3	Platinum Sudoku	
Tom Clancy's Rainbow Six: Lockdown	Platinum Sudoku 2	
Tom Clancy's Rainbow Six: Vegas	Pop Superstar: Road to Celebrity	
Tom Clancy's H.A.W.X.	Question for a Champion	
War of the Worlds	Rayman Bowling	
XIII: Covert Identity	Rock 'n' Blocks	
Zombie Infection	Sexy Blocks: Cancun Vibes	
The Settlers	Sexy Poker 2004	
	Sexy Poker 2005	
	Sexy Poker 2006	
	Sexy Poker Manga	
	Sexy Vegas	
	Sonic Unleashed	
	Spring Break: Cancun Goes Wild	

	The OC	
	UNO	

Source: Gameloft, March 2011

Gameloft records its mobile game development costs as expenses at the time they are incurred. Each year, the company develops and places on various operators' sites thousands of versions of its games covering the more than 600 different models of mobile telephones currently on the market and the 12 languages it supports. Given this extreme fragmentation and the more general nature of the sales-related information received from operators, Gameloft is not in a position to reliably calculate the development costs and residual value of each of these versions, which is one of the criteria of IAS 38 for capitalizing development costs. Since Gameloft does not meet all the capitalisation criteria set out in IAS 38, the company will continue to record its mobile game development costs as expenses this fiscal year. However, the company does capitalise its development costs related to the creation of games for Nintendo, Sony and Microsoft consoles: Nintendo DS, Nintendo DSi, Nintendo Wii, Nintendo WiiWare, Xbox Live Arcade, PS3, PS2, and PSP on the PlayStation Store, as well as on touch tablets and Facebook.

By choosing to insource all its design teams, the company places special emphasis on the quality of its productions. As a result, for the fourth straight year, Gameloft was chosen as the best game developer in 2011 for all existing mobile platforms. In addition, Gameloft games have been particularly well-received by consumers and market professionals, as evidenced by the many awards and honours which the company has received around the world:

- Gameloft was chosen as the best developer of 2011 by Pocket Gamer, an authoritative news and review site: "The explosive growth of the mobile games industry meant coming up with our list of the top 50 developers of 2011 which was a tricky task," said Jon Jordan, editor of PocketGamer.biz. "Yet, despite the competition, there's no question Gameloft deserves the top spot. It has demonstrated the ability to create a wide range of great games for all mobile and portable platforms, while growing its business at an impressive rate."
- Gameloft was also awarded the prize for best game at the Mobile World Congress 2009 trade show in Barcelona for its *Real Football* title. The Mobile World Congress is the largest telecom trade show in the world.
 - Gameloft received the 2010 "iLounge Editor's Choice Developer" prize for best iPhone publisher from the iLounge website.
- Gameloft also received the 2009 "Editor's Choice" award for iPhone/iPod Touch for *Modern Combat: Sandstorm*.

In addition, Gameloft games consistently receive the highest ratings from magazines and websites specializing in video games. On Java and Brew telephones, games such as *Sherlock Holmes*, *Asterix and Cleopatra*, *Assassin's Creed 2*, *Real Football 2010*, *Real Football: Manager Edition 2010*, *Guitar Rock Tour 2*, *Bubble Bash 2*, *UNO*, *Platinum Sudoku*, *Crazy Taxi*, *Paris Nights*, *Date or Ditch*, *Cops*, *Earthworm Jim*, and *Chuck Norris: Bring on the Pain* received a rating equal to or greater than 8/10 on the Pocket Gamer site in 2009. On iPhone and iPad, games like *Starfront: Collision*, *Ultimate Spider Man: Total Mayhem*, *Modern Combat: Black Pegasus*, *Let's Golf 2*, *Star Battalion*, *The Oregon Trail*, *Siberian Strike*, *Driver*, *Dungeon Hunter*, *N.O.V.A.*, and *N.O.V.A. 2* received a rating of 9/10 or higher from the Jeux Vidéo Magazine, Pocket Gamer, FunTouch and Vous et Votre Mac sites. The following iPhone games received a rating of 8/10 or higher from Pocket Gamer in 2009: *Pocket Chef*, *Skater Nation*, *Castle Frenzy*, *The Settlers*, *Asphalt 5*, *Earthworm Jim*, *Brain Challenge 2*, *Modern Combat: Sandstorm*, *Gangstar: West Coast Hustle*, *Guitar Rock Tour 2*, *Castle of Magic*, *Let's Golf*, and *Assassin's Creed*.

2.1.1.2.2 A Catalogue of Strong Licences

Gameloft has a clear positioning in a mass market. The use of world-renowned licences and brands is therefore crucial for gaining a foothold in today's mobile game market. Gameloft has entered into many licence agreements since January 2004 in an effort to enhance its mobile game catalogue and ensure its leadership in this field. For example, the company owns the exclusive rights to the following licences for mobile game development:

- Marvel's Spider-Man and *Iron Man 2*
- Fox's *The Chronicles of Narnia: The Voyage of the Dawn Treader*, a film released in December 2010
- Warner Bros.' *Sherlock Holmes*, released in 2010
- DreamWorks' *Shrek Forever After*
- Fox's *Predators*, released in 2009

- Different car manufacturers for the release of Asphalt 6: Adrenaline (BMW, KTM, Kawasaki, Bugatti, Bentley, BRP, Maserati, etc.)
- Warner Bros.' *Harry Potter and the Deathly Hallows Part 1*
- Roland-Garros, Wimbledon: two of the four Grand Slam tournaments
- *Terminator Salvation*
- Fox's *Avatar*, a James Cameron film released in December 2009
- Capcom's *Resident Evil* and *Street Fighter* franchises
- Sega's *Sonic* and *Crazy Taxi*
- Interplay's *Earthworm Jim*
- Mattel's *UNO* and *Blokus*
- Riverdeep's *The Oregon Trail*
- Ferrari: the famed Ferrari brand has teamed up with Gameloft for the release of several games such as *Ferrari: World Championship* and *Ferrari GT: Evolution*
- NBA: the official US basketball league has partnered with Gameloft for the *NBA Pro Basketball* games
- NFL: the US football league has partnered with Gameloft for the *NFL* football games
- *Lost*, *Desperate Housewives*, *Heroes*, *Grey's Anatomy* and *The OC*, some of the most watched TV series in the world
- The various versions of the *CSI: Crime Scene Investigation* series: *CSI: Las Vegas*, *CSI: Miami* and *CSI: New York*
- *Die Hard 4: Live Free or Die Hard*: the latest instalment of the *Die Hard* series, one of the biggest blockbusters of 2007 produced by Fox
- *Shrek the Third*, produced by DreamWorks Studios
- *King Kong*, a film by Peter Jackson (director of *The Lord of the Rings* trilogy), was released on Christmas 2005 and distributed by Universal Studios
- FIFPro Foundation: this licence allows Gameloft to use all the official names of FIFA football players and teams
- *Beowulf*, produced by Paramount
- *American Gangster*, a Universal Studios production released in 2007
- and many more.

Under the exclusive agreement made with Ubisoft at the time of Gameloft's creation, the company has had access since 2000 to world-renowned licences that have made it one of the leaders in this market. The company has used the Ubisoft licences since January 2004 to launch a number of products, including *Far Cry 2*, *Dogz 2*, *Tom Clancy's Splinter Cell: Double Agent*, *Tom Clancy's Splinter Cell: Pandora Tomorrow*, *Tom Clancy's Splinter Cell: Chaos Theory*, *Prince of Persia: Warrior Within*, *Prince of Persia: The Two Thrones*, *Tom Clancy's Rainbow Six: Lockdown*, *Tom Clancy's Rainbow Six: Vegas*, *Rayman: Raving Rabbids*, *Might and Magic* and *Assassin's Creed*.

2.1.1.2.3 The Most Extensive Distribution Network in the Industry

With more than 200 operators distributing its games in over 80 countries, Gameloft now has the most complete telecom distribution network in the mobile game sector. All major European, North and South American and Asian operators currently work with Gameloft. The company also works with the four leading Japanese operators. As a result, the company now has a presence among all major telecom operators worldwide. The company is also continuing to diversify its operator distribution network, mainly by targeting India, the Middle East and Africa.

Gameloft's Telecom Operator Partners

<i>North America</i>		<i>Asia Pacific</i>	
United States	Verizon, Sprint, Cingular, Nextel, T-Mobile, US Cellular, Midwest Wireless, Boost, Alltel, Metro PCS, Cricket, Virgin, Heilo	Hong Kong	Hutchison, Sunday, Starhub, Peoples, Smartone, CSL
Canada	Rogers, Telus, Bell Mobility, Fido, Virgin Canada, Cityfone, Unicel	China	China Mobile, China Unicom

Europe		Japan	KDDI, Vodafone, DoCoMo, Willcom
Germany	Vodafone, T-Mobile, E-Plus, O2	Malaysia	Maxis, Celcom, Digi
United Kingdom	Vodafone, T-Mobile, O2, Orange, H3G	Singapore	SingTel, M1, StarHub
France	Orange France, SFR, Bouygues Telecom	Philippines	Globe Telecom, Smart
Italy	TIM, Omnitel Vodafone, Wind, H3G	South Korea	SKT, KTF, LG Telecom
Spain	Telefonica, Vodafone, Amena, Yogo	Thailand	Orange, Dtac, AIS
Netherlands	T-Mobile, O2, Vodafone, KPN	Australia	Vodafone, Optus, Telstra, H3G
Belgium	Mobistar, Proximus, Base	Indonesia	Indosat, Telkomsel
Portugal	Optimus, TMN, Vodafone	New Zealand	Vodafone, Telecom NZ
Sweden	Telia, Vodafone, Tele2, H3G	South America	
Norway	Elisa, Sonera, Tele2, Netcom	Brazil	Vivo, Claro, Oi, Tim Brasil
Ireland	Vodafone, O2, H3G	Argentina	Movistar, CTI Movil
Luxembourg	Vodafone, VoxMobile	Guatemala	BellSouth, Movistar
Austria	T-Mobile, Mobikom, One, H3G	Venezuela	Telcom Movinet, Movistar
Switzerland	Swisscom, Orange	Peru	BellSouth, Telefonica
Greece	Vodafone, Cosmote	Ecuador	Conecel, BellSouth
Czech Republic	Eurotel, T-Mobile	Panama	BellSouth
Slovakia	Eurotel	Mexico	Telcel, USACell, Movistar
Hungary	T-Mobile, Vodafone, Pannon	Chile	BellSouth, Movitel, Movistar
Poland	T-Mobile, Play P4, Polkomtel	Bolivia	Entel
Finland	Elisa, Telia	Colombia	BellSouth, Columbia Movil
Lithuania	Bité, Omnitel	Puerto Rico	Verizon, Centennial
Estonia	Radiolinja Eesti, Tele 2	Nicaragua	Bell South
Romania	Orange, Vodafone	Rest of the world	
Croatia	VIPnet, HT Mobile	Israel	Orange, Cellcom, Pelephone
Slovenia	SiMobil, Mobitel	Turkey	Turkcell
Serbia	Telekom Srbija	Egypt	Vodafone
Bulgaria	Mobitel	Réunion	Orange, SFR
Denmark	Telia, H3G, Sonofon, Telmore	Dominican Republic	Orange, Codetel
Iceland	Iceland Telecom	Malta	Vodafone
Russia	MTS, MegaFon	Morocco	Meditel
Malta	Go Mobile	Caribbean	Orange
Cyprus	MTN, Vodafone	Georgia	GeoCell, MagtiCom
		India	Airtel, Hutchinson
		UAE	Qanawat, Cellempower
		Jordan	MobileCom
		South Africa	MTN, Vodacom
		Tunisia	Tunisiana
		Algeria	Wataniya

Source: Gameloft

2.1.1.3 Market Outlook

With a 16% increase in operations for 2010, Gameloft continues to grow rapidly.

Gameloft is probably the company that benefits the most from innovations by long-time telephone manufacturers such as Nokia, Samsung, Sony Ericsson, LG, etc. and from the arrival of powerful newcomers such as Apple, Google, and Microsoft.

Gameloft continues to gain a significant share of the smartphone and traditional Java and Brew telephone markets.

Gameloft is one of the few companies in the market with sufficient resources and know-how to consistently have a product presence at the launch of new downloadable game platforms (tablets like Apple's iPad, social networks, Sony's PlayStation®Network and NGP, Nintendo 3DS, etc.).

The company therefore anticipates growth in the 2011 fiscal year, both in terms of revenue and profitability.

It should, however, be noted that:

- Since Gameloft's mobile games are downloaded to Java and Brew telephones and smartphones, the penetration rate of these phones will determine the success of Gameloft's offering in the mobile telephony market.
- The mobile phone video game market is extremely fragmented because between 2000 and 2006 it was heavily financed by venture capital companies. This source of financing has all but dried up since 2007 and the market has been in a phase of rapid consolidation since then. Many of Gameloft's competitors have filed for bankruptcy since 2007 or been sold to other market players, including InFusio, Oasys, Superscape, iFone, iPlay, Hands On, The Mighty Troglodytes, etc. More recently, Vivendi Games, a subsidiary of the Vivendi Group, and THQ Wireless, a subsidiary of THQ, potentially strong competitors for Gameloft, have announced that they are closing. Electronic Arts and Gameloft share the top two places in this market, far ahead of other competitors. Although these competitors are far smaller than Gameloft and Electronic Arts in terms of revenue and development and distribution capacity, many of them still exist today. The level of competition is therefore less intense than it was two years ago despite the fact that it remains fairly high in absolute terms. In addition, the strong growth of the downloadable games market could lead to more intense competition. The growth of Gameloft's operations will depend on its ability to consolidate its current position among the market leaders.

2.1.2 Fiscal Year 2010 Earnings

2.1.2.1 Highlights of Fiscal Year 2010

- Creation and capital increase of the subsidiaries:

Two new companies were established in Indonesia (PT Gameloft Indonesia) and in China (Gameloft Software Shenzhen Co. Ltd.).

The subsidiary company, Gameloft Iberica, increased its capital during the year in order to comply with local regulations.

- Change in reporting entity:

The consolidation scope used for fiscal year 2010 differs from that of 2009 with the addition of two subsidiaries and the establishment of two new companies. Gameloft Sprl and Gameloft Venezuela were added to the consolidation scope on 1 January 2010, and PT Gameloft Indonesia and Gameloft Software Shenzhen Co. Ltd. will be added on the date of their establishment.

- Share capital increase:

Gameloft saw an increase of share capital through the exercise of stock options in the amount of €873,000, issue premiums included. The share capital is currently €3,754,000.

2.1.2.2 Quarterly and Annual Consolidated Revenue

Revenue in Million Euros*	2010	2009	Change
1 st quarter	33.0	30.8	+7%
2 nd quarter	33.6	29.3	+15%
3 rd quarter	34.7	30.1	+15%
4 th quarter	39.7	31.8	+25%
Total 2010	141.0	122.0	+16%

* rounded figures

Fourth quarter consolidated revenue for 2010 rose by 25% and reached a record 39.7 million euros. Europe accounted for 36% of revenue, while North America accounted for 29% and the rest of the world for 35%.

On the whole, the revenue for fiscal year 2010 reached 141 million euros, an increase of 16%. On a comparable exchange rate basis, the growth rate in revenue for fiscal year 2010 reached 13%.

2.1.2.3 Revenue by Support Type

	12-Month Fiscal Year		12-Month Fiscal Year	
	31/12/10		31/12/09	
	€K	%	€K	%
Console	7,298	5%	6,761	6%
Mobile	133,659	95%	115,211	94%
Total revenue	140,958	100%	121,972	100%

2.1.2.4 Revenue by Geographic Region

	12-Month Fiscal Year		12-Month Fiscal Year	
	31/12/10		31/12/09	
	€K	%	€K	%
Europe	49,131	35%	47,691	39%
North America	45,250	32%	38,808	32%
Rest of the world	46,577	33%	35,473	29%
Total	140,958	100%	121,972	100%

In fiscal year 2010, 35% of revenue was generated in Europe, 32% in North America, and 33% in the rest of the world. In 2009, 39% of revenue was generated in Europe, 32% in North America, and 29% in the rest of the world.

2.1.2.5 Change in Income

INCOME STATEMENT (in thousands of euros)	2010	2009
Revenue	140,958	121,972
Other business-related income	149	334
Cost of sales*	-19,434	-15,528
R&D**	-65,687	-57,421
Sales and Marketing	-26,469	-28,124
Administration	-11,324	-9,164
Other operating income and expenses	-1,122	-1,629
Operating income/expense from ordinary activities (before recognition of share-based payments)	17,072	10,439

Share-based payments	-2,283	-2,686
Other operating income and expenses	-222	-41
Operating income/expense	14,567	7,712
Cost of net financial debt	123	88
Financial income	6,625	2,669
Financial expense	-5,437	-2,312
Net financial income/expense	1,312	445
Employees' interest	-117	-146
Net profit/loss	-2,197	-2,040
Net profit	13,566	5,972

* Includes changes in inventories of finished products and merchandise as well as provisions tied to royalties.

** Restatement of allocations and write-backs of provisions for capitalised R&D costs and self-constructed assets.

The operational income and net annual earning increased considerably in 2010 thanks to an appreciable rise in revenue and excellent cost control.

The cost of sales excluding restatement of provisions and changes in inventories reached 18.9 million euros and was made up of 13.5 million euros of royalties and 5.3 million euros of sales.

R&D costs before recognition of share-based payments and after restatement of capitalised R&D costs represented 47% of revenue for 2010, Sales and Marketing expenses before recognition of share-based payments represented 19%, and Administrative expenses before recognition of share-based payments represented 8%. In 2009, these figures were at 47%, 23% and 8% respectively. R&D and Administrative expenses remained stable in terms of percentage of revenue and Sales and Marketing expenses decreased appreciably.

In summary, the 2010 operating results, before recognition of share-based payments, increased 64% compared to fiscal year 2009. These results total 17.1 million euros, which translates into a current operating margin of 12.1%.

The annual expense for options granted to employees was 2.3 million euros. This expense had no impact on the company's equity or its cash situation. The operational income rose to 14.6 million euros, an annual increase of 89%.

Net financial income was 1.3 million euros and consisted mainly of foreign exchange gains. The corporate tax liability for this income was 2.2 million euros.

The net annual earning was 13.6 million euros, an increase of 127% compared with fiscal year 2009 which puts Gameloft's net margin for fiscal year 2010 at 9.6%.

2.1.2.6 Change in Working Capital Requirement (WCR) and Debt

Cash flow statement	2010	2009
Cash flow from operating activities		
Net profit/loss	13,566	5,972
Depreciation of tangible and intangible assets	13,924	11,880
Change in provisions	1,131	603
Income related to stock options and similar	2,283	2,686
Change in deferred taxes	95	-165
Sales of assets	186	83
Capitalised R&D expenses (1-3)	-8,546	-4,601
Acquisition of licences (1-2)	-5,455	-5,782
Cash from operations	17,184	10,675
Change in inventories	457	1,971
Change in trade receivables	-11,474	61
Change in operating liabilities	2,767	-3,690

Change in WCR	-8,250	-1,657
Operating cash flow	8,935	9,018
Investment-related cash flow		
Purchases of intangible assets (1)	-684	-718
Purchases of tangible assets	-4,016	-2,362
Purchases of other financial assets	-1,184	-723
Purchases of equity security	0	-11
Repayment of loans and other financial assets	138	870
Change in reporting entity	79	80
Other cash flows	65	110
Total investment-related cash flows	-5,603	-2,754
Cash flow from financing activities		
Repayment of loans		-4
Share capital increase	14	60
Increase in issue premium	859	2,803
Other cash flows	-59	-20
Total cash flows from financing activities	814	2,839
Impact of translation gains and losses	1,237	-102
Change in cash and cash equivalents	5,384	9,002
Net cash and cash equivalents at start of fiscal year	19,749	10,748
Net cash and cash equivalents at end of fiscal year	25,133	19,749

(1) Reclassification of R&D and license cost acquisitions (intangible assets).

(2) Adjusted to reflect the change in non-operating liabilities for 360 K€ in 12/2010 and 32 K€ in 12/2009.

(3) Adjusted to reflect the reclassification as expenses of amounts previously capitalised.

The change in the Working Capital Requirement was of -8.3 million euros compared to -1.7 million euros in 2009.

The company's cash from operations rose strongly and is now at +17.2 million euros compared to +10.7 million euros (adjusted to reflect license acquisitions and capitalised R&D expenses) in 2009. Gameloft's financial position is particularly solid as of 31 December 2010. The company's equity capital reached 77.8 million euros and the net cash and cash equivalents were at 25.1 million euros. Cash generation was particularly strong with 5.4 million euros of additional net cash and cash equivalents generated over the year. Therefore, Gameloft has at its disposition the necessary financial means to continue to grow rapidly and to gain market share all over the world.

2.1.2.7 Policy on Financing of Assets

The company does not make use of securitisation contracts, "cession Dailly" (Dailly assignments), sales with option of repurchase, discounts or factoring.

2.1.3 Cash Assets and Capital

2.1.3.1 Change in Shareholders' Equity Capital

The company's equity capital was 77.8 million euros and the net cash and cash equivalents totalled 25.1 million euros. Operating cash flow is largely positive, totalling 17.2 million euros for the fiscal year as a whole.

2.1.3.2 Cash Flow

Cash flows related to development cost investments are spread-out regularly over nine to fifteen month periods, given that all projects progressively increase in intensity but that teams are generally split up over several projects. They represented more than 8.5 million euros in 2010. Cash flows related to investments into the "advances on licences" item represented 5.5 million euros in 2010.

Cash flows related to financing activities are mostly capital increases amounting to 0.8 million euros emanating from the conversion of stock options.

2.1.3.3 Borrowing Terms and Financing Structure

Financing is handled internally; the company does not rely on loans to finance itself, except for occasional cash flow shortages. Having generated more than 5.4 million euros of net cash and cash equivalents, the company has at its disposition the financial means to continue to invest and grow rapidly.

2.1.4 Sustained Development

2.1.4.1 Human Resources

2.1.4.1.1 Supporting the Growth of Gameloft

Gameloft pursued its growth strategy throughout fiscal year 2010 and has enlarged its development teams so that slightly more than 4,000 employees work exclusively on video games for mobile phones and consoles.

The company is also growing because of the opening of new studios.

These in-house creative teams are a major asset in the company's strategy. The fact that Gameloft has its own development studios allows it to guarantee the quality of its games, while still maintaining its responsiveness and flexibility.

In this context of rapid growth, Gameloft seeks to promote a work environment that reflects its corporate culture and that values expertise, creativity and innovation.

In order to remain at the cutting edge of innovation, Gameloft pays special attention to recruiting the best talent in the mobile phone video game industry. The company's strategic international presence through its 19 production sites allows it to attract well-established industry professionals from across the world.

In the video game industry, the creation process requires a strong collaborative effort between the various teams involved since all the technical and artistic fields interact throughout the entire process.

2.1.4.1.2 Supporting Individual Development

Teams are regularly informed of company strategy and news through a variety of channels, including a monthly informational newsletter, internal meetings in all the branches, and team seminars. The diversity of our employees and the different cultures and customs that are brought together allow for a diverse work environment.

Employees benefit from considerable autonomy in their work. The working methods in place encourage employees to truly become involved. Our production methods are constantly evolving and ensure a work setting that, at all levels, encourages experimentation, new ideas, and the taking of initiative and responsibility by the various teams.

Gameloft has put in place a bonus policy that reflects its desire to promote individual and collective achievements:

- production teams receive a bonus which is calculated based on the profitability of the game on which they worked as well as their individual contribution;
- the business teams receive a bonus calculated according to their ability to achieve quantifiable results fixed at the beginning of the year.

Furthermore, stock options or bonus shares are given out in a discretionary manner to employees who regularly overachieve.

2.1.4.1.3 Gameloft Employment

2.1.4.1.3.1 Working Environment and Conditions

- *Workforce*

In fiscal year 2010, the average workforce was 30 employees, 21 men and 9 women.

- *Layoffs*

During fiscal year 2010, the company carried out 1 layoff.

- *Organisation of work time*

Up until 31 December 2010, full-time employment consisted of 35 hours per week.

Work schedules are the following:

- morning: 9:00 am to 12:30 pm
- afternoon: 1:30 pm to 5:00 pm.

Since 1 January 2011, a change of work times was carried out in accordance with the provisions of the applicable collective agreement.

There has been no notable absenteeism in the company.

- *Labour relations and collective agreements*

The company abides by the provisions of the Syntec collective agreement. To date, only one representative has been elected.

- *Health and safety conditions*

The company abides by legal norms in terms of occupational health and safety in France.

- *Employing and integrating persons with a disability*

The company abides by the relevant legal framework.

- *Use of subcontracting*

Gameloft occasionally makes use of freelancers (notably for artistic performances) and temporary workers.

In certain locations, peripheral tasks (caretaking, cleaning, etc.) are entrusted to external companies.

2.1.4.1.3.2 Developing Expertise

Gameloft has integrated the DIF (individual right to training) into its training policy.

In fiscal year 2010, there was a total of 2,700 hours. No provision was recorded.

2.1.4.1.3.3 Employment and Non-Discrimination

Information related to employment and non-discrimination in France is listed below:

- 88% of Gameloft's workforce in France is made up of management;
- women make up 26% of all employees and 96% of them are part of the management;
- in terms of compensation, equal opportunity for men and women is abided by;
- 99% of employees have open-ended contracts (CDI).

2.1.4.1.3.4 Compensation

Gross average monthly compensation (premium included) was €9,652 as of the date of the drafting of this document.

2.1.4.1.3.5 Global Workforce

At 31 December 2010, Gameloft employed 4,811 people across the world. As of 31 December 2010, the worldwide workforce is divided as follows:

- *Breakdown by geographic region:*

	31/12/10	31/12/09
Europe	694	449
North America	483	394
Rest of the world	3,634	3,422
Total	4,811	4,265

• *Breakdown by department:*

	31/12/10	31/12/09
Administration	285	239
Sales and Marketing	512	447
Mobile phone development	4,014	3,579
Total	4,811	4,265

2.1.4.2 Community Enterprises

Nil.

2.1.4.3 Information Related to the Impact of the Company's Activities on the Environment

Data related to the group's impact on the environment only concerns its activities directly related to the production and publishing of video games. Given that the company only produces and markets video games through electronic distribution, which is an entirely virtual medium, its direct impact on the environment is very minimal, be it in terms of emissions into the air, the water, or the ground, or in terms of odour or sound nuisances. Gameloft's water consumption is not significant.

2.1.4.3.1 Teleconference Tools and Business Travel Policy

Given the international nature of the group, employees are required to travel regularly to other locations. The group's policy aims to minimise the environmental consequences of its employee travel and to encourage employees to optimise the efficiency of their trips as much as possible.

The following measures are therefore encouraged:

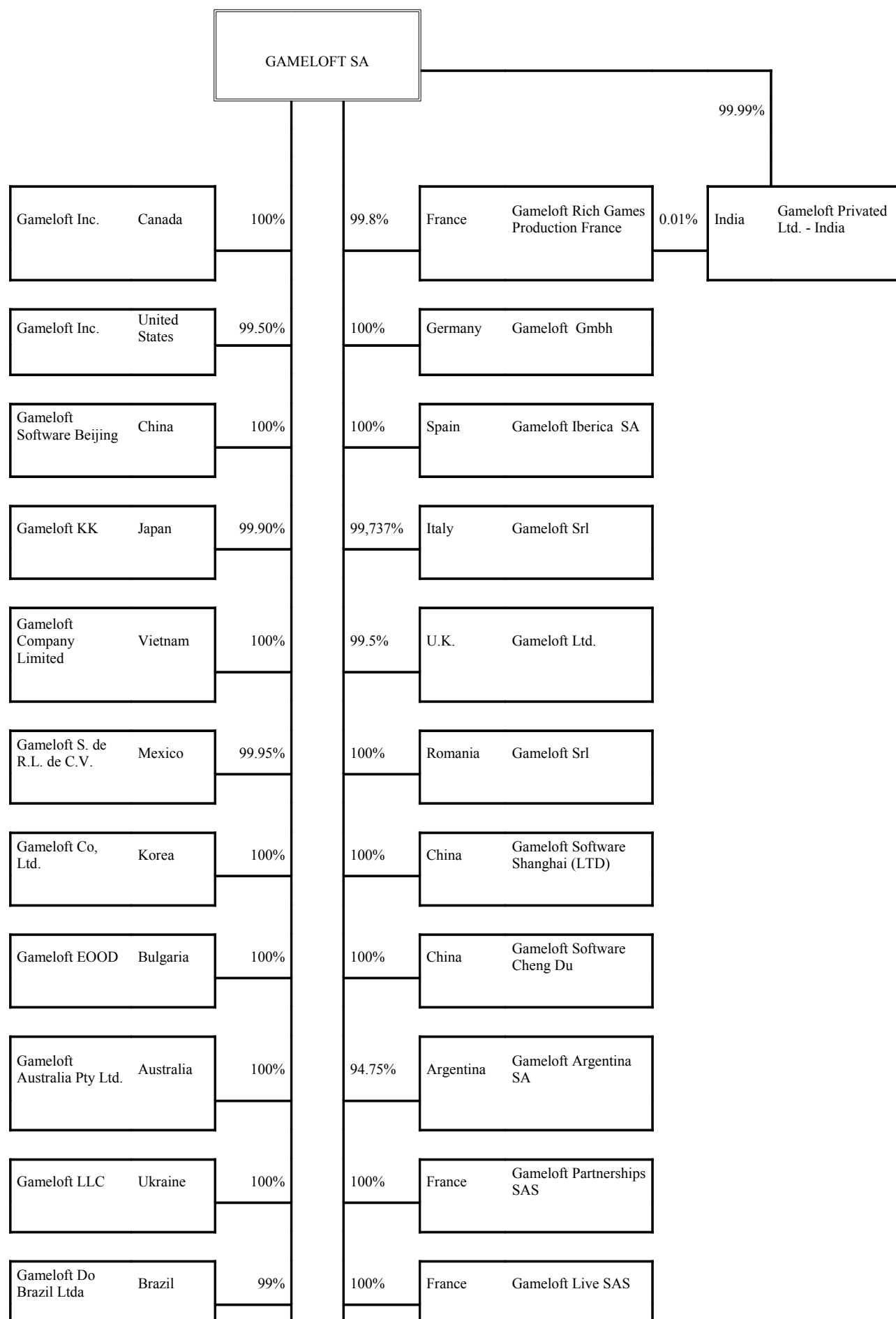
- management of employee agendas so that travel is limited to the minimum required;
- choosing modes of transportation that are the least costly and least harmful to the environment;
- making use of video-conferences, audio-conferences and other collaborative methods.

2.1.4.3.2 Managing the Life Cycle and Recycling of Used Computer Equipment

Gameloft takes an active role in ensuring the recycling of its electric, electronic and computer equipment. The vast majority of Gameloft's branches manage end-of-life computer equipment by relying on external service providers such as specialised organisations or companies.

2.1.5 Subsidiaries and Equity Capital Holdings

2.1.5.1 Organisational Chart as of 31 December 2010



2.1.5.2 Fiscal Year Holdings

Furthermore, the company created the following subsidiaries abroad: PT Gameloft Indonesia in Indonesia and Gameloft Software Shenzhen Co. Ltd. in China. For each of these subsidiaries, Gameloft SA holds 99% and 100% of the share capital respectively.

2.1.5.3 Subsidiary Activities

Subsidiaries (in thousands of euros)	Fiscal Year Ended 31/12/10		Fiscal Year Ended 31/12/09	
	Revenue	Profit/Loss	Revenue	Profit/Loss
Production activity				
Gameloft Software Shanghai LTD. - China	5,576	191	4,994	192
Gameloft Rich Games Production France	3,173	65	3,202	53
Gameloft Ltd. Vietnam	5,745	291	4,273	266
Gameloft Software Cheng Du	3,793	271	3,023	112
Gameloft Software Shenzhen Co. Ltd.	491	-17	-	-
PT Gameloft Indonesia	-	-118	-	-
Distribution activity				
Gameloft GMBH Germany	969	829	1,087	-380
Gameloft SRL (Italy)	2,924	28	2,174	123
Gameloft Partnerships	2,480	89	2,557	-27
Gameloft Australia Ltd.	1,084	-30	974	-116
Gameloft Pte Ltd. (Singapore)	97	3	141	-102
Gameloft LTD. (England)	3,088	71	4,917	-1,173
Gameloft Limited (Hong Kong)	200	16	186	-518
Gameloft Live	648	18	671	21
Gameloft Live Divertissements	843	40	744	29
Gameloft Do Brasil Ltd.	3,426	107	1,268	-297
Gameloft Sro (Czech Republic)	2	-43	163	-181
Ludigames	90	4	68	-4
Gameloft Venezuela	315	12	-	-
Gameloft Belgium Sprl	-	-1	-	-
Mixed activity				
Gameloft Inc. – Canada	15,098	763	9,835	386
Gameloft Inc. United States	30,005	473	29,939	799
Gameloft Iberica SA (Spain)	7,028	208	5,568	-111
Gameloft SRL (Romania)	6,899	169	6,338	141
Gameloft Software Beijing (China)	12,142	896	10,498	1,741
Gameloft KK (Japan)	3,986	129	6,571	-517
Gameloft EOOD – Bulgaria	1,536	64	1,533	68
Gameloft Argentina	12,780	3,420	12,547	3,519
Gameloft Co. Ltd. – Korea	1,443	-149	733	-187
Gameloft Privated Ltd. - India	2,933	53	2,320	-45
Gameloft R.L. de C.V	9,555	-66	6,555	269
Gameloft LLC	1,479	-9	880	-3
Gameloft Philippines	1,907	55	1,015	58

The group's activity is divided into two:

3.1.1 The first is marketing activity, primarily by the following companies: Gameloft GMBH in Germany, Gameloft Iberica in Spain, Gameloft LTD in the United Kingdom, Gameloft Inc. in the United States, Gameloft Srl in Italy, Gameloft Venezuela, Gameloft Do Brasil Ltd. in Brazil, Gameloft Pte Ltd. in Singapore, Gameloft Limited in Hong Kong, Gameloft Live in France and Gameloft SA in France which distribute Gameloft's catalogue of games for mobile phones in their respective regions.

3.1.2 The second is game creation and development activity primarily by the following companies: Gameloft SRL in Romania, Gameloft Inc. in Canada, Gameloft Software Beijing, Chengdu, Shanghai and Shenzhen in China, Gameloft Argentina, Gameloft Ltd. Vietnam, Gameloft Privated Ltd. in India and Gameloft SA, Gameloft LLC in Ukraine and Gameloft RGPF in France which develop games for mobile phones and downloadable consoles.

Some of our subsidiaries are active in both categories, such as Gameloft Iberica, Gameloft Inc., Gameloft Romania, Gameloft Divertissements Inc. and Gameloft Software Beijing.

The parent company, located in France, coordinates activities with different subsidiaries and develops downloadable mobile phone and console games. It employs 30 people as of 31 December 2010.

2.1.6 General Information

2.1.6.1 Investment Policy

Gameloft has pursued an investment policy which allows it to establish itself on new platforms, to create new licences in different genres, and more generally, to grow its market share.

2.1.6.2 Research and Development Policy

Gameloft invests extensively in research and development in order to create and develop innovative, high-quality games. The part of research and development, not excluded from self-constructed assets and charges related to stock options, represents 53.9% of revenue.

Gameloft provides all necessary means to facilitate the development of its games, be it in terms of competent, motivated personnel, or in terms of infrastructure with the goal of quickly communicating with subsidiary production teams, as well as making telephony resources available to the different development teams.

In keeping with 2009, development costs for downloadable consoles are capitalised once the feasibility and profitability of the project can reasonably be considered to be assured. Development costs for games on the new platforms are fixed once their technical feasibility has been established and they have been considered collectable.

For mobile phone game development, Gameloft records development costs as expenses at the time they are incurred. Each year, the company develops and places on various operators' sites thousands of versions of its games covering the 600 different models of mobile telephones on the market and the 12 languages it supports. Given this extreme fragmentation and the more general nature of the sales-related information received from operators, Gameloft is not in a position to reliably calculate mobile phone game development costs and the residual value of each of these versions, which is one of the criteria of IAS 38 for capitalizing development costs. Since Gameloft does not meet all the capitalisation criteria set out in IAS 38, the company will continue to record its mobile phone game development costs as expenses next year.

2.1.7 Risk Factors

Gameloft carried out a review of risks that could have a significantly negative effect on its activity, its financial situation or its earnings (or its capacity to reach its goals) and deemed that there are no other significant risks other than those presented here.

Risks identified are categorised by type of risk.

2.1.7.1 Risks Related to Activity

2.1.7.1.1 Risks Related to Failure to Implement the Development Plan

Gameloft forecasts a significant increase in sales and profits in the coming year. Failure to achieve this anticipated success within a certain time period could adversely affect the market value of Gameloft's shares. Moreover, because

of its short history, the company has only limited experience and perspective in terms of foreseeing future trends that could have a negative impact on its activity.

2.1.7.1.2 Risks Related to Dependence on Strategic Partners and Indirect Sales Networks

Gameloft operates in a market dominated by telephone manufacturers and telecom operators that partially control access to the end-consumer. Gameloft's success depends on its ability to maintain a partnership with these companies and establishing new partnerships.

2.1.7.1.3 Risks Related to Delays in the Release of a Major Game

In a competitive context, the announcement of a delay in the release of an anticipated game can have a negative impact not only on a company's share price but also in terms of revenue and therefore operating margin. This delay can result from a delay in the game's development or in the time needed to port it to several types of telephones. The priority is the release of high-quality, innovative games that also comply with cost and delivery time objectives.

2.1.7.1.4 Risks Related to Employees

The group's success hinges on such factors as the performance and training of its production teams. The development of new technology and the desire to produce more creative and innovative games require specific expertise. Gameloft could face challenges in terms of recruiting experienced individuals with specialised technical skills at its studios to ensure its growth.

The company is organised today in such a way as to minimise risk related to the departure or extended unavailability of key employees or managers. One measure aimed at reducing this risk is stock option plans and bonus share issues.

2.1.7.1.5 Risks Related to Employee Departure

The company's success is closely linked to its ability to maintain a relationship with its key employees. If, for whatever reason, they leave or become unavailable for an extended period, this could have an impact on the company.

The company's future success will also depend on its ability to attract, train, retain and motivate very technically skilled employees.

Losing one or more key employees or managers, or failing to attract new highly-skilled staff could have a significant negative impact on the company's revenue, earnings and financial position.

2.1.7.1.6 Risks Related to Dependence on Clients

Apple made up 22% of the Gameloft Group's pre-tax revenue for 2010. Gameloft also has an important number of clients spread out across the world and thus doesn't have any major dependencies, other than Apple, with regards to clients likely to affect its development plan. The Group's top five clients and top ten clients represent 40% and 53% of its pre-tax revenue, respectively.

2.1.7.1.7 Risks Related to Dependence on Suppliers, Subcontractors and Strategic Partners

The Group's games are sold through operators' and manufacturers' sites and the revenues generated are shared between them and Gameloft. Contracts signed with partners of the Group are simple distribution agreements. These agreements outline a percentage for revenue sharing, the geographic region in question, technical requirements, etc. The contract does not contain an end date. As long as both parties are satisfied with the distribution contract it is renewed implicitly most of the time. There is no particular risk of dependence on telecom operators and manufacturers since we currently work with over 200 of them. The diversity of this partner network prevents dependence. No telecom operator has ever represented more than 10% of the Gameloft Group's revenue since its establishment.

Furthermore, Microsoft, Sony and Nintendo have each released downloadable game platforms on which Gameloft games are distributed. The relationship that Gameloft has with these three manufacturers is, in the end, fairly similar to the agreement it has with telecom operators: they distribute Gameloft games in exchange for a distribution margin of roughly 30% of net sales. Microsoft, Nintendo and Sony are not absolutely essential distributors or partners: Gameloft's console revenue, meaning the sales Gameloft makes on these three manufacturers' consoles, rose to only 5% of the Group's total revenue for 2010.

The company has no significant financial dependence on its subcontractors or suppliers that is likely to affect its development plan.

2.1.7.1.8 Risks Related to Information Systems and Computer Security

Despite the many integration systems implemented, Gameloft is not entirely protected from computer abuse, intrusions, problems with network user identification, and so on. Changes in regulations, the implementation of new mobility solutions, the spread of viruses and increased use of the Internet are just a few reasons why global security solutions need to be put in place. Information is a strategic resource of considerable value and must therefore be protected in an appropriate manner. Information system security protects information from these threats to ensure business continuity. Security measures are aimed at guaranteeing the confidentiality, integrity and availability of information.

2.1.7.1.9 Risks Related to Growth Management

The company's ability to manage its growth effectively will require it to implement, improve and make effective use of all its resources. Any significant growth in activity could subject the company, its managers and its teams to a great deal of pressure. In particular, the company must continue to develop its infrastructure and financial and operating procedures, replace or upgrade its information systems and recruit, train, motivate, manage and retain key employees. The management team's inability to manage growth effectively would have a significant negative impact on the company's revenue, earnings and financial position.

2.1.7.1.10 Risks Related to Changes in Technology

Like all publishers, Gameloft is dependent on technological advances. However, Gameloft remains proficient in the necessary technologies and has the resources it needs to adapt to future technological changes.

The amount allocated for R&D by the company is 54% of group revenue (amount not excluded from self-constructed assets – Refer to §2.1.2.4 of the 2010 Reference Document).

2.1.7.1.11 Risks Related to Changes in the Market

Gameloft is part of a very competitive market, subject to increasing concentration, economic fluctuations and marked by quickly changing technologies that require serious investment in research and development.

In order to remain competitive, it is essential for a publisher to properly anticipate market tendencies and choose the right development format for a game. This selective and strategic choice is very important relative to the amounts invested. An inappropriate choice could have negative consequences on expected revenue.

In this way, while continuing to invest in new technologies (for example, most recently, the iPad and Facebook) and developing its catalogue of licences, Gameloft has succeeded in diversifying its portfolio of brands and proven its know-how with consoles that make use of downloadable content.

Gameloft thus continues to invest in its studios in order to guarantee its mastery of future technologies, while still reinforcing its production force in new countries and limiting costs, thanks to operations in countries such as China, India and Vietnam, where production costs are lower.

In Canada, Gameloft depends on substantial grants and any changes to government policy could have a negative impact on production costs and the profitability of the company. Gameloft makes sure to regularly renegotiate its agreements and does not anticipate any risk in the next few years.

Expectations of market growth remain positive and are fundamentally sound. Gameloft has shown in 2010 that its business model, combined with competitive development costs, a variety of private brands, constant innovation and ability to react to an ever-changing market, is solid.

2.1.7.2 Legal Risks

2.1.7.2.1 Litigation – Legal Proceedings and Arbitration

There are no government, court or arbitration proceedings, including any proceedings of which the company is aware, which are pending or with which it is threatened, that could have or have had a significant impact on the financial position or profitability of the company and/or group over the past 12 months, other than that which is accounted for in the consolidated accounts (refer to §3.1.5.5, note 13 of the 2010 Reference Document).

2.1.7.2.2 Regulatory Environment

The company, like all game publishers, must abide by a number of national regulations, notably concerning the content of games and consumer protection. Non-compliance with these regulations can have a negative impact on sales (delayed release or recalling of products from the market, for example).

2.1.7.2.3 Intellectual Property Risks

Gameloft's game catalogue is protected by intellectual property rights. Gameloft's brands are protected through registrations in Europe and internationally (for France: the *Institut National de la Propriété Industrielle* in Paris; for Europe: the Office for Harmonisation in the Internal Market; internationally: the World Intellectual Property Organisation; and for the North American market, the US Patent and Trademark Office in Washington).

This catalogue's success, however, could lead to attempts at copying and piracy. To prevent this risk, the company must implement a permanent monitoring system and act quickly when illegal copies are placed online.

2.1.7.2.4 Risks Related to Licence Agreements

Each year, Gameloft signs numerous partnership contracts that allow it to develop its game catalogue and increase its revenue. In this way, Gameloft benefits from its partners' reputation to ensure that its games have excellent sales potential. The possible termination of certain partnerships for any reason – either at Gameloft's initiative or that of its partners – could have a negative impact on the company's future revenues and operating income, to the extent that the loss is not offset by other new licences. Licences represented 43% of downloads in 2010, including 12% for Ubisoft licensed games.

2.1.7.3 Industrial Risks or Risks Related to the Environment

To date, the group is not aware of any industrial or environmental risk. Gameloft did not set up a provision or obtain any guarantee to cover possible environmental risks (earthquake, natural disaster, etc.) and did not pay any indemnity in this respect during the fiscal year. However, the company remains attentive to regulatory changes in the countries where it has operations.

2.1.7.4 Financial Risks

Within the framework of its activity, the group is more or less exposed to financial risk (notably in regards to foreign exchange, financing and liquidity, interest rates), and risks related to securities.

The policy of the group consists of:

- minimizing the impact of exposure to market risk on its earnings, and to a lesser extent, on its balance sheet;
- centralised monitoring and managing of its risk exposure;
- not making use of derivatives except for economic coverage.

2.1.7.4.1 Risks Related to Foreign Exchange

Given the group's international presence, it can be subject to fluctuations in exchange rates in the following three cases:

- Concerning its operational activity: sales and operating expenses of the group's subsidiaries are primarily issued in the currency of their country. Nonetheless, certain transactions like distribution contracts and the billing of benefits between companies are issued in another currency. The operating margin of the subsidiaries in question can then be exposed to fluctuations in exchange rates relative to their functional currency.

- Concerning its financing activity: in applying its risk centralisation policy, the group manages multicurrency financing and cash and cash equivalents.
- During the process of converting its subsidiaries' accounts (issued in foreign currency) into euros: the operating income/expense from ordinary activities can be carried out in currencies other than the euro. Therefore, the exchange rates of foreign currencies compared to the euro can have an impact on the group's income statement. These fluctuations also cause variation in the book value of assets and liabilities denominated in currencies found in the consolidated balance sheet.

Change in exchange rates of principal currencies:

	31/12/10		31/12/09	
	Average Rate	Closing Rate	Average Rate	Closing Rate
US dollar	1.32680	1.33620	1.39327	1.44060
Canadian dollar	1.36650	1.33220	1.58519	1.51280
Pound sterling	0.85824	0.86075	0.89105	0.88810
Japanese yen	116.45511	108.65000	130.23437	133.16000
Argentine peso	5.18981	5.29300	5.20200	5.46950
Mexican peso	16.75316	16.54750	18.78411	18.92230
Brazilian real	2.33444	2.21770	2.77057	2.51130

Financial risk-sensitivity regarding exchange rates:

31/12/2010	Impact on Profit/Loss before Tax		Impact on Equity Capital before Taxes	
	Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
CAD – Line of credit			- 17.9	+18.3
BRL – Investments	- 0.4	+0.5	- 9.4	+9.6
Total in €K	- 0.4	+0.5	- 27.3	27.9

2.1.7.4.2 Liquidity Risks

As part of its operational activity, the group did not amass a recurring or significant debt. Operating cash flows are generally sufficient to self-finance operational activity and organic growth. However, the group may have to increase its debt by using lines of credit to finance developments. The group's cash assets and portfolio of short-term investment securities available for sale enable it to meet its commitments without any liquidity risk.

2.1.7.4.3 Interest-Rate Risks

The group does not rely on credit institutions to finance itself. However, it uses short- and medium-term financing facilities that charge interest based on the EURIBOR interest rate and invests its available cash in investment products that bear interest based on short-term variable rates. In this context, the group is subject to changes in variable rates and assesses this risk on a regular basis.

Summary table related to managing interest rate risk in €K:

31/12/10	Financial Assets: Interest Bearing Savings Accounts		Financial Liabilities: Line of Credit		Net Exposure before Hedging		Rate-Hedging Instruments		Net Exposure after Hedging	
	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate
In %	2.20	11.59	3.75	-						
Less than 1 year	9,020	947	1,809		7,211	947	-	-	7,211	947
1 to 5 years	-	-	-	-		-	-	-	-	-
Total	9,020	947	1,809	-	7,211	947	-	-	7,211	947

2.1.7.4.4 Risks Related to the Need for Additional Capital

For companies doing business in fast-growing markets, and in particular in the mobile phone games market, it is often impossible to make precise medium- or long-term financial forecasts. Given the rapid changes brought about by competition, repositioning or strategic changes, Gameloft may need additional working capital.

The company believes that the growth of its activity could require it to turn to the financial markets. Since some shareholders would not take part in a share capital increase of this type, this could result in stock dilution.

2.1.7.4.5 Risks Related to Securities

Given its share repurchase policy and the authority given by the General Meeting, the company can end up buying its own shares. Fluctuations in share prices purchased this way have no impact on the group's earnings.

2.1.7.4.6 Investment Policy

All cash assets must remain readily available by limiting risk taking on capital as much as possible. They tend to be invested in products that have a high degree of safety and very low volatility. On 31 December 2010, financial investments consisted of an interest-bearing account.

2.1.7.5 Insurance and Risk Coverage

In order to optimise and centralise risk management and to prevent losses, Gameloft put in place, as of 1 January 2008, a group insurance programme that allows all its subsidiaries to have full professional civil liability and operational civil liability coverage. This comprehensive programme was revised at the end of 2010 and new coverage was put in place as of January 1, 2011.

The company also took out an insurance policy to protect the personal assets of its directors in order to assist them in the event of claims made against them.

Finally, an insurance contract, "Employment Practices Liability", has been established for the group as of 1 February 2010. This contract covers the liability of Gameloft and its affiliates for any social violations.

The overall cost of the Gameloft Group's insurance policy is €286,000.

2.1.8 Commitments

A number of games are marketed according to licence agreements signed by Gameloft. The commitments made and recorded provide for the payment of guaranteed minimums for use of the game. The commitments made with respect to this guaranteed minimum total €3,051,000.

The company's management has made no other firm commitments on future investments.

There is no minority interest in the group's structure. There is therefore no risk related to the buyout of minority interests.

The Gameloft Group has commitments toward some of the group's subsidiaries:

- authorisation of a guarantee commitment in favour of Divertissement Canada Inc. under a framework leasing agreement made between Gameloft Canada and Dell Financial Services Canada Ltd. in the amount of CAD 250,000;
- in calculating its leases, Gameloft Divertissements Inc. has agreed with the lessor, in accordance with rent regulations and the obligations outlined in the leases, to a chattel mortgage of CAD 322,000 on all chattels found in the leased premises until the coming of term on 15 August 2014;
- authorisation of a bond agreement in favour of Gameloft Argentina SA, the company's subsidiary in Argentina, for the signing of a lease concerning the offices in Buenos Aires (Argentina) with Irsa Inversiones y Representaciones SA in the amount of USD 144,000;
- the operating commitments related to rental expenditures through our subsidiaries total €13,799,000;

- Gameloft Divertissements Inc. renewed its financial line of credit for CAD 3,000,000 under the same terms and conditions with the Bank of Montreal.

2.2 Year-End Financial Statements at 31 December 2010

The Gameloft Group's Consolidated Financial Statements at 31 December 2010

2.2.1.1 Consolidated Statement of Comprehensive Income at 31 December 2010

Consolidated income statement

	12-Month Fiscal Year 31/12/10	12-Month Fiscal Year 31/12/09
Revenue	140,958	121,972
Self-constructed assets	10,121	5,380
Closing inventory	-443	-1,940
Other business-related income	1,357	1,540
Cost of sales	-18,911	-12,990
Research & Development costs	-75,925	-64,124
Commercial expenses	-26,998	-28,763
Overhead costs	-11,920	-9,908
Changes in inventories of finished products	-	-31
Provisions	-2,553	-2,168
Other operating income	379	466
Other operating expenses	-1,275	-1,682
Operating income/expenses from ordinary activities	14,790	7,753
Other operating revenue	56	-
Other operating expenses	-278	-41
Operating income/expenses	14,568	7,712
Cost of net financial debt	123	88
Financial income *	6,626	2,669
Financial expenses *	-5,437	2,312
Net financial income/expenses	1,312	445
Employees' interest	-117	-146
Tax expenses	-2,197	-2,040
Share in earnings of equity-accounted companies	-	-
Net profit/loss before income from businesses discontinued or being sold	13,566	5,972
Profit/loss of businesses discontinued or being sold	-	-
Net profit/loss for the period **	13,566	5,972
Earnings per share	0.18	0.081
Diluted earnings per share	0.17	0.079

* Including financial income from affiliates not fully or proportionately consolidated at 31 December 2010: €0.

- Financial expenses related to affiliates not fully or proportionately consolidated at 31 December 2010: €0.

** Profit/loss for the period is completely attributable to equity capital holders.

2-State of net income and gains and losses posted directly in equity capital

	31/12/10	31/12/09
Net profit/loss (group share)	13,566	5,972
Translation gains/losses, net of tax	-625	-1,020
Revaluation of derivative instrument coverages	-	-
Revaluation of assets	-	-
Other	-57	-
Other parts of the comprehensive income (recorded under share holder's equity capital and net of tax)	-682	-1,020
Comprehensive consolidated income	12,885	4,952

Revenue increased by 16% compared to the previous fiscal year.

The current operating expenses increased by 8% compared to 2009 due to investments the company made into new platforms such as the iPad, social networks, Smart TVs, set-top boxes, and home consoles. These new activities caused the company to increase its workforce and to open several new R&D studios. Licence costs correlate with increases in the company's revenue. Operating results are largely positive and were €14,568,000. Financial income is

primarily made up of the recognition of interest income from cash investments and gains on exchange. Financial expenses consist primarily of losses on exchange.

2.2.1.2 Consolidated Financial Statement at 31 December 2010

ASSETS	Net	Net
	12-Month Fiscal Year	12-Month Fiscal Year
	31/12/10	31/12/09
Intangible assets	14,564	12,602
Tangible assets *	5,964	4,579
Non-current financial assets	2,337	1,948
Deferred tax assets	1,753	1,339
Other non-current receivables	2,313	1,424
Non-current assets	26,931	21,892
Inventory	-	457
Advance payments made	119	149
Trade receivables and related accounts	42,100	32,626
Financial assets**	71	-
Other receivables and accruals	10,637	8,525
Cash and cash equivalents	27,038	19,804
Current assets	79,965	61,562
Total assets	106,896	83,454

* Including assets under a financial lease: €114,000.

** Including advances to affiliates not fully or proportionately consolidated at 31 December 2010: -€K.

LIABILITIES	12-Month Fiscal Year	12-Month Fiscal Year
	31/12/10	31/12/09
Share capital	3,754	3,740
Issue and merger premiums	67,452	66,593
Consolidated reserves	-22,823	-28,944
Other reserves	15,834	12,577
Consolidated profit/loss	13,566	5,972
Shareholders' equity capital (group share)	77,783	59,937
Minority interests	-	-
Total shareholders' equity capital	77,783	59,937
Provisions for contingencies and charges	30	159
Employee benefits	353	141
Financial debts	-	-
Advance payments received	-	-
Other debts	-	-
Deferred tax liabilities	1,924	1,339
Non-current liabilities	2,307	1,639
Provisions for contingencies and charges	-	-
Financial debts*	1,906	55
Trade payables and related accounts	15,158	12,595
Advance payments received	-	-
Tax and social security liabilities	9,290	8,532
Other debts	453	697
Current liabilities	26,807	21,878
Total Liabilities	106,896	83,454

* Including advances received by affiliates not fully or proportionately consolidated at 31 December 2010: €0.

The "Cash and cash equivalents" item is comprised of short-term investments.

The company saw an increase of share capital through the exercise of stock options in the amount of €873,000, issue premiums included. This share capital increase and the increase in the net profit for the fiscal year, which reached €13,566,000 contributed to an increase in shareholders' equity capital compared to the previous fiscal year. At 31/12/10, shareholder's equity capital reached €77,783,000 compared to €59,937,000 at 31/12/09.

At the year-end closing on 31 December 2010, the net financial surplus was €25,132,000 compared to €19,749,000 on 31 December 2009.

The “Trade receivables and related accounts” item increased by nearly 29% compared to fiscal year 2009. This increase reflects the 25% growth in revenue in the fourth quarter of 2010 as well as a slight decline in payments during the client payment settlement period. This amount of trade account receivables actually corresponds to 95 days of revenue compared to 91 days at the end of 2009.

The “Financial debts” item increased by 20% compared to the previous fiscal year.

The “Tax and social security liabilities” item increased by 8% compared to the previous fiscal year.

2.2.1.3 Consolidated Cash Flow Statement at 31 December 2010

€K	12-Month Fiscal Year 31/12/10	12-Month Fiscal Year 31/12/09
Cash flow from operating activities		
Net profit/loss	13,566	5,972
Depreciation of tangible and intangible assets	13,924	11,880
Change in provisions	1,131	603
Change in deferred taxes	95	-165
Income related to stock options and similar	2,283	2,686
Capital gains and losses	186	83
Cash from operations	31,185	21,058
Change in inventories	457	1,971
Change in trade receivables	- 11,474	61
Change in operating liabilities	2,767	-3,690
Change in non-trade receivables		
Change in non-operating liabilities (1)		
Change in operating working capital	-8,250	-1,657
Total operating cash flow	22,935	19,401
Investment-related cash flow		
Purchases of intangible assets (2)	-9,230	-5,319
Purchases of tangible assets	-4,016	-2,362
Purchases of financial assets		-11
Purchases of other financial assets	-1,184	-723
Acquisition of advances on licences (1)	-5,455	-5,782
Sales of assets/Deconsolidation	65	110
Repayment of loans and other financial assets	138	870
Repayment of advances on licences		
Change in reporting entity	79	80
Other cash flows		
Total investment-related cash flows	-19,603	-13,137
Cash flow from financing activities		
New long- and medium-term loans		
Repayment of loans		-4
Share capital increase	14	60
Increase in issue premium	859	2,803
Change in shareholders' current accounts	-2	-2
Other cash flows	-57	-18
Total cash flows from financing activities	814	2,839
Impact of translation gains and losses	1,237	-102
Change in cash and cash equivalents	5,384	9,002
Net cash and cash equivalents at start of fiscal year	19,749	10,748

Net cash and cash equivalents at end of fiscal year	25,133	19,749
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(1) Adjusted to reflect the change in non-operating liabilities for €360,000 in 12/2010 and €32,000 in 12/2009.

(2) Adjusted to reflect the reclassification as expenses of amounts previously capitalised.

2.2.2 Individual Financial Statements of Gameloft SA at 31 December 2010

2.2.2.1 Gameloft SA Income Statement at 31 December 2010 (€K)

€K	12-Month Fiscal Year Ended 31/12/10	12-Month Fiscal Year Ended 31/12/09
Total operating income	121,981	100,693
Total operating expense	115,036	96,686
Operating profit/loss	6,945	4,007
Total financial income (1)	7,699	6,599
Total financial expense (2)	4,561	5,916
Net financial income/expense	3,138	683
Profit/loss from ordinary activities	10,083	4,690
Extraordinary profit/loss	-258	-49
Pre-tax profit/loss	9,825	4,641
Income tax	- 10	11
Net fiscal year profit/loss	9,815	4,653
(1) including income related to affiliates	3,521	3,111
(2) including expenses related to affiliates	921	172

2.2.2.2 Gameloft SA Balance Sheet at 31 December 2010 (€K)

ASSETS	31/12/10	31/12/10	31/12/10	31/12/09
	Gross €K	Amort./Dep. €K	12-Month Fiscal Year Net €K	12-Month Fiscal Year Net €K
Intangible assets	47,028	32,786	14,242	11,942
Tangible assets	4,748	3,790	958	872
Financial assets	9,324	190	9,134	8,461
Long-term assets	61,100	36,766	24,334	21,275
Inventories of finished products	14	14	-	457
Advance payments made				-
Trade receivables and related accounts	82,427	2,686	79,741	57,369
Other receivables	12,824	3,156	9,668	7,473
Short-term investment securities	-	-	-	-
Cash on hand	15,758		15,758	12,625
Current assets	111,023	5,856	105,167	77,926
Accruals	1,440	-	1,440	1,247
Total Assets	173,562	42,622	130,941	100,448
LIABILITIES	31/12/10 12-Month Fiscal Year €K	31/12/09 12-Month Fiscal Year €K		
Capital	3,754	3,740		
Premiums	67,452	66,593		
Reserves	-18,572	-23,224		
Fiscal year profit/loss	9,815	4,653		
Shareholders' equity capital	62,449	51,761		
Provisions for contingencies and charges	1,165	1,062		
Misc. financial debts (1)	6,116	6,139		
Trade payables and related accounts	48,687	33,700		
Tax and social security liabilities	1,415	1,513		
Debts on assets	4,381	4,506		
Other debts	3,934	601		
Total debts	64,534	46,459		

Accruals	2,793	1,166
Total Liabilities	130,941	100,448
(1) including partners' current accounts	6,024	6,088

2.2.3 Proposed Allocation of Profit

Less all expenses, taxes and depreciation, the accounts presented give a positive result of €9,814,599.30.

The company proposes allocating the gain of 31 December 2010, in the amount of €9,814,599.30, to losses carried forward.

Pursuant to the provisions of Article 243 bis of the French General Tax Code, no distribution of dividends has taken place in the last three fiscal years and the company has no intention of distributing dividends in the near future.

Pursuant to the provisions of Article 223 quater of the French General Tax Code, no amounts, be they non-deductible expenses or costs under Article 39-4 of the French General Tax Code were registered in the current fiscal year.

The company does not hold any of its own stock at 31 December 2010 and has not engaged in any transaction involving its own stock during 2010.

2.2.4 Financial Table (Art. 135 of the Decree of 23 March 1967) (€K)

Fiscal Year	31/12/06	31/12/07	31/12/08	31/12/09	31/12/10
	12 Months	12 Months	12 Months	12 Months	12 Months
Share capital (€)	3,537,829	3,652,918	3,680,255	3,739,894	3,754,146
No. of ordinary shares	70,756,584	73,058,357	73,605,094	74,797,874	75,082,924
No. of preferred shares	-	-	-	-	-
Maximum no. of shares that may be created	7,414,609	8,311,036	7,011,987	11,821,550	13,933,150
By exercised options	5,198,506	7,323,778	6,358,987	11,101,300	12,486,150
By bonus issues of shares				720,250	1,447,000
By BSPCE subscriptions	2,216,103	987,258	653,000	0	0
Revenue	47,901	74,236	84,911	96,252	111,121
Profit/loss before tax, profit-sharing, depreciation and provisions	8,080	2,178	7,876	15,301	22,200
Income tax	-	-	-	-11	10
Profit-sharing	-	-	-	-	0
Profit/loss after tax, profit-sharing, depreciation and provisions	23,395	-2,538	-5,067	4,653	9,815
Dividend payout	-	-	-	-	0
Per share, profit/loss after tax and before depreciation and provisions (€)	0.33	0.03	0.11	0.20	0.30
Per share, profit/loss after tax and depreciation and provisions (€)	0.11	-0.03	-0.07	0.06	0.13
Dividend allocated to each share	-	-	-	-	-
Average number of employees	36	40	35	30	30
Total payroll	3,828	3,929	4,007	3,898	3,760
Social security taxes and benefits	1,615	1,752	1,821	1,719	1,758

2.2.5 The LME Law – Payment Deadlines (€K)

Pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, at the close of the fiscal year on 31 December 2010, the balance of debts to suppliers breaks down by due date as follows:

€ K	Trade Payables		Trade Payables on Assets		Total	
	2009	2010	2009	2010	2009	2010
Trade payables	3,812	3,493	552	1,104	4,364	4,597
Payments:						
0 to 30 days	1,281	1,664	35	577	1,316	2,241
30 to 60 days	573	418	2	92	575	510
Overdue	1,958	1,411	515	435	2,473	1,846
Total	3,812	3,493	552	1,104	4,364	4,597
Intra-group debts	24,748	38,566	4	215	24,752	41,229
Invoices pending GROUP	2,494	2,447	12	-	2,506	2,447
Invoices pending	2,646	4,181	3,938	3,062	6,584	7,243
Total accounts payable	33,700	48,687	4,506	4,381	38,206	53,068

2.3. Information about the Company

2.3.1 General Information about the Company

Corporate name

The corporate name of the company is Gameloft.

Registered office

The company's registered office is located at 81, rue Réaumur, 75002 Paris (France).

Legal form

Gameloft is a corporation under French law administered by a Board of Directors and subject to French law, particularly the provisions of Book II of the French Commercial Code and certain provisions of the regulatory section of the French Commercial Code.

Applicable legislation

Company subject to French legislation

Date created and duration

The company was founded on 1 December 1999 for a duration of 99 years starting on the date of its registration in the French Corporate and Trade Register, i.e. until 22 February 2099, barring its extension or early dissolution.

Corporate and Trade Register

The company is registered with the Corporate and Trade Register under number 429 338 130 RCS Paris.

Location for consulting legal documents related to the company

The company's legal documents can be consulted at the business address at 14, rue Auber 75009 Paris, or at the registered office.

Accounting period

The accounting period, which lasts twelve months, begins on 1 January and ends on 31 December.

Managing Body of the Company

The Board of Directors, in its meeting on 3 December 2001, decided not to separate the functions of the Chairman of the Board of Directors from those of Chief Executive Officer; the general management of the company is taken on by the Chairman of the Board of Directors, Mr Michel Guillemot, Chief Executive Officer of the company.

The Chief Executive Officer of the company is assisted by Executive Vice Presidents named by the Board of Directors; the number should not exceed 5 people. Mr Michel Guillemot, Chief Executive Officer of the company, is assisted by four Executive Vice Presidents:

- Mr Christian Guillemot, Executive Vice President
- Mr Claude Guillemot, Executive Vice President
- Mr Yves Guillemot, Executive Vice President
- Mr Gérard Guillemot, Executive Vice President.

2.3.2 Additional Information about the Company

2.3.2.1 Memoranda of Association and Articles of Incorporation

2.3.2.1.1 Corporate Purpose (Article 3 of the Articles of Incorporation)

The company's purpose in France and abroad, whether direct or indirect, is as follows:

- the design, creation, publication and distribution of games and services related to video games and, more generally, of all software, products or services intended for users of digital devices, including in particular digital television and related activities, and mobile telephones and smart mobile electronic devices, such as

- mobile devices using Wireless Application Protocol or any other communication standards allowing the processing and high- and low-speed exchange of text and data;
- the creation of online services and content intended for enthusiasts of video games and new technologies and all related activities;
- the purchase, sale and, in general, the trade in any manner, by lease or otherwise, of all multimedia, audiovisual and computer products, as well as all image and sound reproduction products;
- the company's participation in all operations related to its corporate purpose through the creation of new companies, the subscription or purchase of shares or rights of ownership, merger or other means;

More generally, all operations directly or indirectly related to the aforementioned corporate purpose or all similar or related purposes which are likely to contribute to the company's development.

2.3.2.1.2 Year-End Financial Statements – Allocation and Distribution of Profit (Article 16 of the Articles of Incorporation)

Net profit/loss is equal to income during the fiscal year minus operating expenses, depreciation and provisions.

The following amounts are subtracted from the annual profits, less prior year losses, if any:

- Sums added to reserves as provided by law or the Articles of Incorporation and, in particular, at least 5% to supply the legal reserve fund. This deduction ceases to be mandatory once said fund equals one-tenth of the share capital, but again becomes mandatory if the legal reserve falls below this level for any reason.
- Sums which the General Meeting, on the recommendation of the Board of Directors, considers appropriate to allocate to all extraordinary or special reserves or to carry forward.

The balance is distributed to the shareholders. However, except in case of a reduction of capital, no distribution may be made to shareholders if, following said distribution, the shareholders' equity capital is or would be less than the amount of capital plus reserves which may not be distributed under the law or the Articles of Incorporation.

Pursuant to Article L. 232-18 of the French Commercial Code, the meeting may propose an option by which the dividend or interim dividends are paid in whole or in part through the delivery of new shares of the company.

2.3.2.1.3 General Meetings (Article 14 of the Articles of Incorporation)

a) Convening and holding of General Meetings

The General Meetings are convened and proceedings are held under the conditions established by law.

b) Access to Meetings - Powers

The General Meeting is made up of all shareholders, regardless of the number of shares they own, provided that the required payments have been made and that the voting rights have not been revoked.

The right to participate in the company's general meetings is evidenced by the registration of the shares in the name of the shareholder or the intermediary acting on his/her behalf (under the conditions provided by law) by 12:00 a.m. Paris time of the third business day preceding the meeting:

- for registered shareholders: in the registered securities accounts maintained by the company;
- for bearer shareholders: in the bearer securities accounts maintained by the authorised intermediary, under the conditions provided by applicable regulations.

In addition, owners of registered or bearer shares must, at least three days prior to the meeting, have filed a proxy form or vote-by-mail form, or the single-copy document used in lieu of it, or, if the Board of Directors has so decided, an admission card application. However, the Board of Directors will, if it deems appropriate, have the power at all times to shorten this period. It will also have the power to authorise the remote transmission (including by electronic means) to the company of the proxy and vote-by-mail forms under the conditions provided by the laws and regulations in force.

When an electronic signature is used, said signature must be in a form that meets the conditions defined in the first sentence of paragraph two of Article 1316-4 of the French Civil Code.

c) Attendance list - Meeting committee - Minutes

An attendance list, duly signed by the shareholders in attendance and proxies, and to which are attached the powers granted to each proxy and, where applicable, the vote-by-mail ballots, is certified correct by the Meeting committee.

Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a member of the Board of Directors specially designated by the Board of Directors for this purpose. In their absence, the Meeting itself designates the Chairperson.

The function of vote teller is filled by the two shareholders, who are present and so accept, and who, both personally and as proxies, hold the largest number of votes.

The meeting committee thus formed designates a secretary, who may be chosen from among non-shareholders.

The minutes are drawn up and copies or excerpts of the proceedings are issued and certified in accordance with the law.

d) Ordinary and Extraordinary General Meetings

Ordinary and Extraordinary General Meetings, voting in accordance with the quorum and majority conditions required by the applicable laws and regulations, exercise the powers granted to them by law.

The same is true for incorporation-type meetings, i.e. those called to decide on the approval of a contribution in kind or the granting of a special benefit.

2.3.2.1.4 Holdings Outside the Statutory Thresholds (Article 6 of the Articles of Incorporation)

Any shareholder acting alone or in concert, without prejudice to the laws applicable to exceeding or falling below the thresholds referred to in Article L. 233-7 of the French Commercial Code, who comes to hold directly or indirectly at least 1% of the company's capital or voting rights or a multiple of this percentage up to and including 4% must inform the company within the time period stipulated in Article L. 233-7 of said code by registered letter with return receipt.

The notification referred to in the preceding paragraph for exceeding the threshold by a multiple of 1% of the capital or voting rights also applies if the percentage of capital or voting rights falls below the aforementioned threshold.

Failure to declare the legal or statutory thresholds results in the loss of voting rights under the conditions referred to in Article L. 233-14 of the French Commercial Code, at the request of one or more shareholders who together hold at least 5% of the company's capital or voting rights.

2.3.2.1.5 Rights Attached to Shares (Articles 7 and 8 of the Articles of Incorporation)

Each share gives a right to ownership of the corporate assets and liquidating dividend in proportion to the percentage of capital it represents.

Whenever a shareholder is required to own several shares in order to exercise a right of any kind, such as in case of a share-for-share exchange or a consolidation or allotment of shares, or following a share capital increase or reduction regardless of the terms and conditions thereof, a merger or any other operation, the owners of fewer shares than those required may exercise their rights only if they take it upon themselves to pool their shares and, if necessary, to purchase or sell the number of shares or rights forming the odd lot needed.

On 24 February 2000, Gameloft's Extraordinary General Meeting granted double voting rights to fully-paid registered shares (Article 8 of the Articles of Incorporation). This double voting right was granted only to shares that were shown to be registered to the same shareholder for at least two years.

This double voting right is also granted at the time of issue, in case of a share capital increase by capitalisation of reserves, earnings or issue premiums, to registered shares allotted free of charge to a shareholder in exchange for old shares for which this right was enjoyed (Article 8 of the Articles of Incorporation).

In accordance with Article L. 225-124 of the French Commercial Code, double voting rights are automatically revoked if the share is converted to a bearer share. They are also revoked if ownership of the shares is transferred. However, transfers resulting from succession, liquidation of communal property between spouses or gifts *inter vivos* in favour of a spouse or parent who is entitled to inherit do not result in loss of the acquired right and do not interfere with the two-year period.

2.3.2.1.6 Amendments to the Articles of Incorporation

The Articles of Incorporation are amended upon a decision of the Extraordinary General Meeting.

2.3.2.2 Share Capital

2.3.2.2.1 Change in Share Capital during the Fiscal Year Ended 31 December 2010

2.3.2.2.1.1 Share Capital Increase

After exercising share rights attached to stock options, the Gameloft Group's employees applied for 285,050 shares during the fiscal year ended 31 December 2010. This capital increase was noted by the Board of Directors on 20 January 2011. The company's share capital therefore increased by 14,252.50 euros through the issue of 285,050 new shares with a par value of 0.05 euros due to the exercising of share rights attached to stock warrants by the company.

2.3.2.2.1.2 Share Capital at 31 December 2010

At 31 December 2010, Gameloft SA's share capital consisted of 75,082,924 shares, each with a par value of 0.05 euros, for a total of 3,754,146.20 euros.

2.3.2.2.2 Buyback by the Company of Its Own Shares

2.3.2.2.2.1 Governing Authority at the Date of the Current Report

The Combined General Meeting of 24 June 2010 renewed the authorisation, previously given by the Combined General Meeting of 25 June 2009, in favour of the Board of Directors allowing the company to repurchase its own shares, pursuant to Article L. 225-209 et seq. of the French Commercial Code (hereinafter the "Buyback Programme").

2.3.2.2.2.2 Description of the Share Buyback Programme from the Combined General Meeting of 24 June 2010

Affected shares: normal Gameloft SA shares listed on Euronext Paris Eurolist Compartment B, ISIN code: FR 0000079600.

Objectives of the new buyback programme: the objectives of the programme are:

- to cancel shares acquired by a reduction of capital within the limits established by law;
- to implement any company stock option plan within the framework of the conditions of Articles L. 225-177 et seq. of the French Commercial Code;
- to grant bonus shares within the framework of Articles L. 225-197-1 et seq. of the French Commercial Code;
- to issue or transfer shares to employees to allow them to benefit from the company's growth or as part of the creation of an employee savings plan, under conditions provided by law;
- to retain shares and deliver them in exchange or as payment for future external growth operations initiated by the company, mergers, split-ups or contributions, in accordance with recognised market practices and applicable regulations;
- to ensure the liquidity of Gameloft's stock and stimulate the market on which it is traded through a liquidity contract made with an investment services provider that complies with an ethics charter recognised by the Autorité des marchés financiers.

Maximum share capital, maximum number, and characteristics of securities: the maximum purchase price per share is set at 5 euros and the maximum number of shares which the company may purchase is set at 10% of the total number of shares comprising the capital on the date of the purchase. In theory, the maximum number of shares that may be purchased based on the number of shares existing at 31 May 2010 is 7,479,787. The total amount which the company can spend to buy back its own shares may not exceed 37,398,935 euros.

Duration of the programme: this share buyback programme is authorised to continue for eighteen months beginning from the Combined General Meeting of 24 June 2010 until 24 December 2011.

Status of the previous programme: during the course of the previous share buyback programme, the terms of which are described in the share buyback programme approved by the Combined General Meeting of 25 June 2009, the company did not repurchase any of its own shares and does not hold any of its own shares to-date.

2.3.2.2.3 Unissued Authorised Capital

2.3.2.2.3.1 Delegations Granted by the General Meeting to the Board of Directors Regarding Capital Increases

1- In its eighth resolution, the Combined General Meeting of 24 June 2010 approved a delegation of authority to the Board of Directors in order to allow an increase in the company's share capital, on one or more occasions, up to a maximum nominal amount of 5 million euros, through the issue, with shareholders' pre-emptive rights, of ordinary shares of the company and securities of any kind granting entitlement to the company's capital. The period during which this authorisation is valid was set at 26 months starting on the date of said General Meeting.

This authorisation caused prior authorisations granted by the General Meeting to become null and void, including the unused portions, previous authorisations having the same purpose.

The company's Board of Directors has not, to-date, made use of such a delegation in order to increase the company's share capital.

2- In its ninth resolution, the Combined General Meeting of 24 June 2010 approved a delegation of authority to the Board of Directors in order to allow an increase in the company's share capital, on one or more occasions, up to a maximum nominal amount of 5 million euros, through the issue, without shareholders' pre-emptive rights, of ordinary shares of the company and all securities granting entitlement to the company's capital. The period during which this authorisation is valid was set at 26 months starting on the date of said General Meeting.

This authorisation caused prior authorisations granted by the General Meeting to become null and void, including the unused portions, previous authorisations having the same purpose.

The company's Board of Directors has not, to-date, made use of such a delegation in order to increase the company's share capital.

3- In its thirteenth resolution, the Combined General Meeting of 24 June 2010 authorised the Board of Directors to carry out capital increases reserved for those enrolled in a group savings plan offered by the company and/or companies or groups of companies affiliated with it pursuant to the provisions of Articles L. 225-129, L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and under the conditions set out in Articles L. 3332-1 et seq. of the French Labour Code, up to a maximum nominal amount representing 1% of the share capital as of the date of the Board of Directors' decision. The period during which this authorisation is valid was set at 26 months starting on the date of said General Meeting.

This authorisation caused prior authorisations granted by the General Meeting to become null and void, including the unused portions, previous authorisations having the same purpose.

The company's Board of Directors has not, to-date, made use of such a delegation in order to increase the company's share capital.

4- In its seventeenth resolution, the Combined General Meeting of 25 June 2009 approved a delegation with the intention to authorise the Board of Directors to grant options giving a right to subscribe for the company's shares as well as options giving the right to purchase company shares to company employees and managers. The period during which this authorisation is valid was set at 38 months starting on the date of said General Meeting.

This authorisation caused prior authorisations granted by the General Meeting to become null and void, including the unused portions, previous authorisations having the same purpose and particularly the first resolution of the Extraordinary General Meeting of 4 November 2008.

The company's Board of Directors has, at 1 June 2010, made partial use of such a delegation within the authorised limits in order to allocate Gameloft company shares to some paid employees and managers of the Group.

5- In its eighteenth resolution, the Combined General Meeting of 25 June 2009 approved a delegation with the intention to authorise the Board of Directors to issue bonus shares of the company to some of the group's employees and managers. The number of bonus shares issued may not exceed 5% of the total number of shares comprising the

company's share capital as of the date of the Board of Directors' allotment decision. The period during which this authorisation is valid was set at 38 months starting on the date of said General Meeting.

This authorisation caused prior authorisations granted by the General Meeting to become null and void, including the unused portions, previous authorisations having the same purpose and particularly the twelfth resolution of the Combined General Meeting of 25 June 2008.

The company's Board of Directors has, at 1 June 2010, made partial use of such a delegation within the authorised limits in order to issue Gameloft bonus shares to some paid employees and managers of the company.

2.3.2.2.3.1 Summary Table of Delegations Granted by the General Meeting to the Board of Directors Regarding Capital Increases

	General Meeting	Term	Authorised Amount	Usage of Delegations in Previous Years	Usage of Delegations This Fiscal Year
Delegation to allow a share capital increase by issuing shares and/or all securities providing access to share capital, while maintaining pre-emptive rights	AGM of 24 June 2010	Valid for 26 months starting on the date of said AGM, i.e. until 24 August 2012	Maximum nominal amount of shares that may be issued: 5,000,000 euros	-	-
Delegation to allow the increase of share capital by issuing shares and/or all securities providing access to share capital, without maintaining pre-emptive rights	AGM of 24 June 2010	Valid for 26 months starting on the date of said AGM, i.e. until 24 August 2012	Maximum nominal amount of shares that may be issued: 5,000,000 euros	-	-
Delegation to allow the issue of bonus shares of the company to the group's employees and managers	AGM of 25 June 2009	Valid for 38 months starting on the date of said AGM, i.e. until 25 August 2011	The total number of shares that can be allotted as bonus shares may not exceed 5% of the shares making up the share capital	-	The Board of Directors on 1 June 2010 approved the issue of 733,250 bonus shares
Delegation to allow the granting of subscription options and share purchase rights to employees and company managers	AGM of 25 June 2009	Valid for 38 months starting on the date of said AGM, i.e. until 25 August 2012	The total number of shares related to subscription options may not exceed 5% of the shares making up the share capital	-	The Board of Directors on 1 June 2010 approved the issue of 2,240,000 stock options
Delegation to decide share capital increase by issuing shares reserved for those enrolled in a group savings plan	AGM of 24 June 2010	Valid for 26 months starting on the date of said AGM, i.e. until 24 August 2012	Maximum nominal amount of the share capital increase is fixed at 1% of the share capital as of the date of the Board's decision	-	-

2.3.2.2.4 Potential Capital

At 31 December 2010, the number of subscription options open and not yet exercised rose to 12,486,150 and the number of bonus share issues rose to 1,477,000.

If all of these options were exercised and the performance and attendance conditions related to bonus shares were met resulting in their final purchase by their recipient, Gameloft SA's capital would increase as follows:

	Potential Shares	Potential Capital (in Euros)
Stock options not exercised	12,486,150	624,307.50
Bonus issues of shares	1,447,000	72,350.00
Total	13,933,150	696,657.50

At 31 December 2010, the exercise of all the warrants and options, namely 13,933,150 shares, would result in a potential dilution of 18.56%.

2.3.2.2.5 Share Subscription Options (Plans in Effect at 31 December 2010)

Stock option plans approved in 2006:

	Managers and Employees of the Gameloft Group's US and Canadian Subsidiaries			The Gameloft Group's Managers and Employees, Excluding Employees of the Group's US and Canadian Subsidiaries				The Gameloft Group's French Managers and Employees	
Board of Directors' meeting	11/01/2006			11/01/2006				07/06/2006	
Number of shares eligible for subscription:	612,000			2,790,300				40,200	
Number of people concerned:	33			101				2	
of which are managers	0			5				0	
Start of exercise period	11/01/08	11/01/09	11/01/10	11/01/08	11/01/09	11/01/10	11/01/11	07/06/10	07/06/11
End of exercise period	11/01/12	11/01/12	11/01/12	11/01/12	11/01/12	11/01/12	11/01/12	07/06/12	07/06/12
Subscription price (€)	5.61	5.61	5.61	5.35	5.35	5.35	5.35	5.37	5.37
Options cancelled at 31/12/10	93,000	93,000	93,000	86,000	96,500	284,000	111,300	15,000	15,000
Options exercised at 31/12/10	-	-	-	-	-	-	-	-	-
Options not yet exercised at 31/12/1	111,000	111,000	111,000	234,900	224,400	950,700	802,500	5,100	5,100

Stock option plans approved in 2007:

	Managers and Employees of the Gameloft Group's US and Canadian Subsidiaries			The Gameloft Group's Managers and Employees, Excluding Employees of the Group's US and Canadian Subsidiaries.		
Board of Directors' meeting	03/01/2007			03/01/2007		
Number of shares eligible for subscription:	710,100			2,811,000		
Number of people concerned:	39			123		
of which are managers	1			4		
Start of exercise period	03/01/09	03/01/10	03/01/11	03/01/09	03/01/10	03/01/11
End of exercise period	03/01/13	03/01/13	03/01/13	03/01/13	03/01/13	03/01/13
Subscription price (€)	4.30	4.30	4.30	4.10	4.10	4.10
Options cancelled at 31/12/10	69,300	69,300	69,300	115,300	115,300	304,400
Options exercised at 31/12/10	4,000	4,000	-	19,000	19,000	-
Options not yet exercised at 31/12/10	163,400	163,400	167,400	241,000	241,000	1,756,000

Stock option plans approved in 2008:

	Managers and Employees of the Gameloft Group's US and Canadian Subsidiaries	The Gameloft Group's Managers and Employees, Excluding Employees of the Group's US and Canadian Subsidiaries
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Board of Directors' meeting	11/04/2008			11/04/2008		
Number of shares eligible for subscription:	534,300			3,110,250		
Number of people concerned:	48			199		
of which are managers	1			4		
Start of exercise period	11/04/10	11/04/11	11/04/12	11/04/10	11/04/11	11/04/12
End of exercise period	11/04/14	11/04/14	11/04/14	11/04/14	11/04/14	11/04/14
Subscription price (€)	2.95	2.95	2.95	2.80	2.80	2.80
Options cancelled at 31/12/10	13,100	14,100	14,100	86,350	111,100	172,500
Options exercised at 31/12/10	94,100	-	-	144,950	-	-
Options not yet exercised at 31/12/10	70,900	164,000	164,000	317,250	437,450	1,840,650

Stock option plans approved in 2009:

	Managers and Employees of the Gameloft Group	
Board of Directors' meeting	14/05/09	
Number of shares eligible for subscription:	2,208,500	
Number of people concerned:	189	
of which are managers	2	
Start of exercise period	14/05/11	14/05/13
End of exercise period	14/05/15	14/05/15
Subscription price (€)	2.36	2.36
Options cancelled at 31/12/10	102,350	102,350
Options exercised at 31/12/10	-	-
Options not yet exercised at 31/12/10	1,001,900	1,001,900

Stock option plans approved in 2010:

	Managers and Employees of the Gameloft Group
Board of Directors' meeting	01/06/2010
Number of shares eligible for subscription:	2,240,000
Number of people concerned:	189
of which are managers	2

Start of exercise period	01/06/2012	01/06/2013
End of exercise period	01/06/2014	01/06/2014
Subscription price (€)	3.82	3.82
Options cancelled at 31/12/10	19,900	19,900
Options exercised at 31/12/10	-	-
Options not yet exercised at 31/12/10	1,100,100	1,100,100

Information on the employee stock ownership plan

Stock Options Granted to the Top 10 Non-Management Employee Recipients and Options Exercised by Them	Number	Weighted Average Price	Plan Number and Expiration Date
Options granted during the fiscal year by the issuer and any company authorised to grant the issuer's options to those holding the highest number of options thus granted (general information)	None.	-	-
Options held for the issuer and the aforementioned companies, exercised during the fiscal year by the 10 employees holding the highest number of shares thus applied for (general information)	None.	-	-

2.3.2.2.7 Bonus Issues of Shares (Plans in Effect at 31 December 2010)

Bonus share plans approved in 2009:

	French Managers and Employees of Gameloft SA
Date of the Board of Directors' meeting	21/04/09
Total number of shares	720,750
Total number of recipients	55
of which are managers	3
including 10 top employee allottees	418,500
Date of purchase of shares	21/04/11
Retention end date – date of transferability	22/04/13
Performance conditions	- Employee recipients: continuous presence in the Gameloft Group during the entirety of the vesting period. - Proxy recipients: internal and external performance conditions.
Number of shares cancelled at 31/12/10	3,500
Total shares at 31/12/10	717,250

Bonus share plans approved in 2010:

	French Managers and Employees of Gameloft SA
Date of the Board of Directors' meeting	01/06/2010
Total number of shares	733,250
Total number of recipients	60

of which are managers	3
including 10 top employee allottees	417,000
Date of purchase of shares	01/06/2012
Retention end date – date of transferability	01/06/2014
Performance conditions	- Employee recipients: continuous presence in the Gameloft Group during the entirety of the vesting period. - Proxy recipients: internal and external performance conditions.
Number of shares cancelled at 31/12/10	3,500
Total shares at 31/12/10	729,750

2.3.2.2.8 The Employee Stock Ownership Plan within the Framework of a Collective Employee Shareholding Plan (Hereinafter FCPE)

The Combined General Meeting of 24 June 2010 authorised the Board of Directors to issue, at its sole discretion, a share capital increase reserved for French employees, within a maximum limit of 1% of the share capital as of the date of the Board of Directors' decision, via the FCPE.

The Board of Directors did not make use of this authorisation during the fiscal year ended 31 December 2010.

2.3.2.2.9 Change in Share Capital over the Last Three Fiscal Years

Date	Type of Operation	Number of Shares	Total Number of Shares	Share Par Value	Issue Premium			
						By Cash Contribution	By Contribution in Kind	Total Capital
31/12/08	Share capital increase noted after exercise of stock options and BSPCE in 2008	546,737	73,605,094	€0.05	€929,509.85	€956,846.70		€3,680,254.70
31/12/09	Share capital increase noted after exercise of stock options and BSPCE in 2009	1,192,780	74,797,874	€0.05	€2,803,033	€2,862,672		€3,739,893.70
31/12/10	Share capital increase noted after exercise of stock options in 2010	285,050	75,082,924	€0.05	€859,402.50	€873,655		€3,754,146.20

2.3.2.2.10 Securities Not Representing Capital

None.

2.3.2.2.11 Purchase Rights or Obligations Linked to Capital Subscribed but Not Paid

None.

2.3.2.2.12 Options or Agreements Not Conditional on a Member of the Group

None.

2.3.2.2.13 Identifying Security Holders

Article 5 of the Articles of Incorporation authorises the company to implement a procedure identifying security holders.

2.3.2.2.14 Provision Causing a Delay in Change in Control

None.

2.3.2.2.15 Clause Establishing Approval Requirement

None.

2.3.2.2.16 Provision Governing Changes in Capital when These Conditions Are Stricter than Those Provided by Law

None.

2.3.2.2.17 Gameloft Share

2.3.2.2.17.1 Change in Share Price

Month	Maximum Price (in Euros)	Minimum Price (in Euros)	Average Price (in Euros)	Trading Volume
January 2007	5.34	4.45	4.88	5,268,025
February 2007	5.28	4.65	5.14	5,136,589
March 2007	5.25	4.65	5.01	6,998,819
April 2007	5.57	4.93	5.12	4,228,299
May 2007	6.05	5.60	5.84	7,964,323
June 2007	6.23	5.69	5.98	4,291,447
July 2007	6.54	5.25	6.13	4,748,411
August 2007	7.08	5.70	6.42	10,553,942
September 2007	6.45	5.49	5.83	3,884,098
October 2007	7.32	5.80	6.50	4,956,481
November 2007	7.22	5.80	6.42	4,051,262
December 2007	6.57	5.72	6.12	2,139,537
January 2008	6.23	2.60	4.20	11,234,166
February 2008	3.30	2.70	2.99	14,821,011
March 2008	3.08	2.45	2.77	8,115,620
April 2008	3.73	2.73	3.29	7,468,553
May 2008	3.71	3.11	3.33	5,334,494
June 2008	3.26	2.85	3.07	4,161,467
July 2008	3.12	2.66	2.94	3,738,329
August 2008	3.67	2.91	3.35	2,287,439
September 2008	3.80	3.07	3.58	4,611,838
October 2008	3.55	2.43	2.86	4,134,457
November 2008	2.79	1.81	2.21	2,467,693
December 2008	2.13	1.32	1.67	3,284,778
January 2009	1.74	1.37	1.56	1,461,584
February 2009	1.67	1.26	1.51	1,216,053
March 2009	1.83	1.27	1.62	1,826,636
April 2009	2.65	1.56	1.97	3,253,467
May 2009	3.04	2.50	2.78	2,660,309
June 2009	2.98	2.60	2.76	1,540,829
July 2009	2.77	2.16	2.42	6,083,667
August 2009	2.91	2.60	2.78	1,998,601
September 2009	3.89	2.65	3.27	9,789,983
October 2009	3.96	3.10	3.68	3,840,852
November 2009	3.68	3.11	3.36	5,715,564
December 2009	3.53	2.92	3.26	3,680,869
January 2010	4.21	3.50	3.82	5,813,838
February 2010	3.94	3.00	3.25	5,219,969
March 2010	3.60	3.12	3.37	4,737,550
April 2010	4.15	3.54	3.81	6,586,115
May 2010	4.08	3.52	3.83	6,705,810
June 2010	4.07	3.62	3.86	3,696,432

July 2010	3.79	3.37	3.66	2,356,564
August 2010	3.81	3.36	3.57	1,846,746
September 2010	3.66	3.41	3.55	2,559,663
October 2010	4.45	3.58	4.16	4,114,696
November 2010	4.93	4.20	4.46	4,046,386
December 2010	5.46	4.32	4.96	5,963,381

2.3.2.2.17.2 Change in Number of Shares

	Par Value €	Number of Shares	Amount in €K
At 01/09/00	0.7622	23,994,925	18,289
Offsetting of claims	0.7622	2,458,125	1,874
At 31/08/01	0.7622	26,453,050	20,164
Reserved capital increase on 07/12/01	0.7622	18,563,502	14,150
Reduction of capital on transitioning to the euro			-101
Merger with Ludigames on 29/03/02	0.76	17,832,213	13,552
At 31/12/02	0.76	62,848,765	47,765
No transactions during this period	-	-	-
At 31/12/03	0.76	62,848,765	47,765
Reduction of the nominal value	0.05	-	-44,623
Offsetting of claims	0.05	1,718,058	86
At 31/12/04	0.05	64,566,823	3,228
Offsetting of claims	0.05	2,623,296	131
Capital increase following the exercise of stock options and BSPCE	0.05	1,660,197	83
At 31/12/05	0.05	68,850,316	3,443
Reserved capital increase on 25/10/2005	0.05	116,477	6
Reserved capital increase on 21/03/2006	0.05	548,744	27
Reserved capital increase on 31/03/2006	0.05	588,397	29
Reserved capital increase on 15/09/2006	0.05	652,650	33
At 31/12/06	0.05	70,756,584	3,538
Capital increase following the exercise of stock options and BSPCE	0.05	2,301,773	115
At 31/12/07	0.05	73,058,357	3,653
Capital increase following the exercise of stock options and BSPCE	0.05	546,737	27
Au 31/12/08	0.05	73,605,094	3,680
Capital increase following the exercise of stock options and BSPCE	0.05	1,192,780	60
At 31/12/09	0.05	74,797,874	3,740
Exercised options on 11/04/2008	0.05	144,950	7
US options exercised on 11/04/2008	0.05	94,100	5
Exercised options on 03/01/2007	0.05	38,000	2
US options exercised on 03/01/2007	0.05	8,000	0
At 31/12/10	0.05	75,082,924	3,754

2.3.2.2.18 Dividends

The company has not distributed any dividends in the course of the last three fiscal years and does not foresee, for the moment, distributing any in the near future.

2.3.2.2.19 Securities Services Provider

CACEIS Corporate Trust
14 rue Rouget de Lisle
92862 Issy-les-Moulineaux Cedex 09

2.3.2.3 Key Shareholders

2.3.2.3.1 Changes in the Share Structure over the Last Three Fiscal Years

At 31 December 2008

Capital and Voting Rights

	Number of Shares	% of Capital	Voting Rights	% of Voting Rights
Guillemot family	13,349,507	18.137%	21,948,808	26.633%
Guillemot Brothers SA	6,108,221	8.355%	9,538,496	11.642%
Claude Guillemot	2,142,706	2.911%	3,232,872	3.923%
Michel Guillemot	1,683,050	2.287%	2,770,560	3.362%
Yves Guillemot	957,609	1.301%	1,806,118	2.192%
Gérard Guillemot	801,188	1.088%	1,589,836	1.929%
Christian Guillemot	1,231,703	1.673%	2,320,866	2.816%
Yvette Guillemot	170,030	0.231%	340,060	0.413%
Marcel Guillemot	95,000	0.129%	190,000	0.231%
Tiphaine Guillemot	160,000	0.217%	160,000	0.194%
Guillemot Corporation SA	68,023	0.092%	68,023	0.083%
<i>IN CONCERT</i>	<i>13,417,530</i>	<i>18.229%</i>	<i>22,016,831</i>	<i>26.716%</i>
Treasury shares	-	0.000%	-	-
Crédit Agricole	9,178,725	12.470%	9,178,725	11.138%
Fidelity (FMR)	8,377,701	11.382%	8,377,701	10.166%
T. Rowe Price	7,656,370	10.402%	5,023,500	6.096%
Cominvest Asset Management	5,101,591	6.931%	5,101,591	6.190%
Amiral Gestion	4,239,505	5.760%	4,239,505	5.144%
Public	25,633,672	34.826%	28,472,438	34.55%
Total	73,605,094	100%	82,410,291	100%

At 31 December 2009

Capital and Voting Rights

	Number of Shares	% of Capital	Voting Rights	% of Voting Rights
Guillemot family	12,839,507	17.166%	25,520,114	29.091%
Guillemot Brothers SA	5,998,221	8.019%	11,996,442	13.675%
Claude Guillemot	2,142,706	2.865%	4,285,412	4.885%
Michel Guillemot	1,683,050	2.250%	3,366,100	3.837%
Yves Guillemot	707,609	0.946%	1,406,318	1.603%
Gérard Guillemot	801,188	1.071%	1,602,376	1.827%
Christian Guillemot	1,081,703	1.446%	2,163,406	2.466%
Yvette Guillemot	170,030	0.227%	340,060	0.388%
Marcel Guillemot	95,000	0.127%	190,000	0.217%
Tiphaine Guillemot	160,000	0.214%	170,000	0.194%
Guillemot Corporation SA	68,023	0.091%	68,023	0.078%
<i>IN CONCERT</i>	<i>12,907,530</i>	<i>17.257%</i>	<i>25,588,137</i>	<i>29.16 %</i>
Treasury shares	-	0.000%	-	-
Crédit Agricole	9,178,725	12.271%	9,178,725	10.463%
Fidelity (FMR)	8,377,701	11.200%	8,377,701	9.550%
T. Rowe Price	7,440,984	9.948%	7,440,984	8.482%
Cominvest Asset Management	5,101,591	6.821%	5,101,591	5.816%
Amiral Gestion	4,239,505	5.668%	4,239,505	4.833%
Public	27,551,838	36.835%	27,796,125	31.686%
Total	74,797,874	100%	87,722,768	100%

At 31 December 2010

Capital and Voting Rights

	Number of Shares	% of Capital	Voting Rights	% of Voting Rights
Guillemot family	11,178,294	14.888%	22,197,688	25.673%
Guillemot Brothers SA	5,174,548	6.892%	10,349,096	11.969%
Claude Guillemot	2,042,706	2.721%	4,085,412	4.725%
Michel Guillemot	1,683,050	2.242%	3,366,100	3.893%
Yves Guillemot	382,609	0.510%	756,318	0.875%
Gérard Guillemot	688,648	0.917%	1,377,296	1.593%
Christian Guillemot	781,703	1.041%	1,563,406	1.808%
Yvette Guillemot	170,030	0.226%	340,060	0.393%
Marcel Guillemot	95,000	0.127%	190,000	0.220%
Tiphaine Guillemot	160,000	0.213%	170,000	0.197%
Guillemot Corporation SA	68,023	0.091%	68,023	0.079%
<i>IN CONCERT</i>	11,246,317	14.979%	22,265,711	25.752%
Treasury shares	-	0.000%	-	0.000%
Fidelity (FMR)	8,377,701	11.158%	8,377,701	9.689%
T. Rowe Price	7,466,181	9.944%	7,466,181	8.635%
Crédit Agricole	6,314,783	8.410%	6,314,783	7.303%
Allianz	5,101,591	6.795%	5,101,591	5.900%
Public	36,576,351	48.714%	36,936,812	42.721%
Total	75,082,924	100%	86,462,779	100%

2.3.2.3.2 Distribution of Capital and Voting Rights at 28 February 2011

At 28 February 2011

Capital and Voting Rights

	Number of Shares	% of Capital	Voting Rights	% of Voting Rights
Guillemot family	10,986,409	14.632%	21,813,918	25.285%
Guillemot Brothers SA	5,174,548	6.892%	10,349,096	11.996%
Claude Guillemot	2,042,706	2.721%	4,085,412	4.736%
Michel Guillemot	1,683,050	2.242%	3,366,100	3.902%
Yves Guillemot	382,609	0.510%	756,318	0.877%
Gérard Guillemot	688,648	0.917%	1,377,296	1.596%
Christian Guillemot	589,818	0.786%	1,179,636	1.367%
Yvette Guillemot	170,030	0.226%	340,060	0.394%
Marcel Guillemot	95,000	0.127%	190,000	0.220%
Tiphaine Guillemot	160,000	0.213%	170,000	0.197%
Guillemot Corporation SA	68,023	0.091%	68,023	0.079%
<i>IN CONCERT</i>	11,054,432	14.723%	21,881,941	25.364%
Treasury shares	-	0.000%	-	0.000%
Fidelity (FMR)	8,377,701	11.158%	8,377,701	9.711%
T. Rowe Price	7,519,735	10.015%	7,519,735	8.716%
Crédit Agricole	6,314,783	8.410%	6,314,783	7.320%
Allianz	5,101,591	6.795%	5,101,591	5.913%
Public	36,714,682	48.899%	37,075,143	42.976%
Total	75,082,924	100%	86,270,894	100%

To the company's knowledge, there are no other shareholders who own 5% or more, either directly, indirectly or in concert, of the capital or voting rights.

2.3.2.3.3 Holdings outside Thresholds concerning Capital and Voting Rights

2.3.2.3.3.1 Gameloft SA's Holdings Outside Thresholds concerning Capital and Voting Rights during Fiscal Year 2010:

- On 4 May 2010, the share of capital held by Mr Gérard Guillemot fell below the 1% threshold. Mr Gérard Guillemot then individually held 703,188 Gameloft shares representing 1,406,376 voting rights, i.e. 0.94% of capital and 1.62% of existing voting rights.
- On 6 May 2010, the share of voting rights held by Crédit Agricole Corporate and Investment Bank (9 Quai du Président Paul Doumer, 92920 Paris La Défense Cedex) controlled by Crédit Agricole SA, fell below the 10% threshold. Crédit Agricole Corporate and Investment Bank then held 8,699,603 Gameloft shares representing as many voting rights, i.e. 11.63% of capital and 9.98% of existing voting rights.
- On 21 May 2010, the share of voting rights held by Mr Christian Guillemot fell below the 2% statutory threshold. Mr Christian Guillemot then individually held 866,703 Gameloft shares representing 1,733,406 voting rights, i.e. 1.16% of capital and 1.99% of existing voting rights.
- On 31 May 2010, the share of voting rights held by Mr Yves Guillemot fell below the 1% statutory threshold. Mr Yves Guillemot then individually held 407,609 Gameloft shares representing 806,318 voting rights, i.e. 0.54% of capital and 0.93% of existing voting rights.
- On 16 June 2010, the share of capital held by Crédit Agricole Corporate and Investment Bank (9 Quai du Président Paul Doumer, 92920 Paris La Défense Cedex) controlled by Crédit Agricole SA, fell below the 10% threshold. Crédit Agricole Corporate and Investment Bank then held 7,446,686 Gameloft shares representing as many voting rights, i.e. 9.96% of capital and 8.60% of existing voting rights.
- On 8 September 2010, the share of capital held by T. Rowe Price Group, Inc. (100 East Pratt Street, Baltimore, Maryland 21202, USA) via T. Rowe Price Associates, Inc. and T. Rowe Price International, Inc., companies that it controls, fell below the 10% threshold. T. Rowe Price Group, Inc. then held 7,466,181 Gameloft shares representing as many voting rights, i.e. 9.99% of capital and 8.61% of existing voting rights.
- On 10 November 2010, the share of capital and voting rights held by Amiral Gestion (9 avenue Percier, 75008 Paris) fell below the 5% threshold. Amiral Gestion then held 3,737,651 Gameloft shares representing as many voting rights, i.e. 4.99% of capital and 4.31% of existing voting rights.
- On 31 December 2010, the share of capital held in concert by the Guillemot family fell below the 15% threshold. The members of the Guillemot family held 11,246,317 Gameloft shares in concert, representing 22,265,711 voting rights, i.e. 14.98% of capital and 25.75% of existing voting rights.

2.3.2.3.3.2 Gameloft SA's Holdings outside Thresholds concerning Capital and Voting Rights after the Closing of Fiscal Year 2010:

- On 10 February 2011, the share of capital held by Mr Christian Guillemot fell below the 1% statutory threshold. Mr Christian Guillemot then individually held 730,557 Gameloft shares representing 1,461,114 voting rights, i.e. 0.97% of capital and 1.69% of existing voting rights.
- On 15 February 2011, the share of capital held by T. Rowe Price Group, Inc. (100 East Pratt Street, Baltimore, Maryland 21202, USA) via T. Rowe Price Associates, Inc. and T. Rowe Price International, Inc., companies that it controls, exceeded the 10% threshold. T. Rowe Price Group, Inc. then held 7,519,735 Gameloft shares representing as many voting rights, i.e. 10.02% of capital and 8.7% of existing voting rights.

2.3.2.3.4 Agreements Made by the Company Which Are Amended or Terminated in Case of Change in Control

Some of the company's agreements could be terminated in case of a change in control of the company, with the stipulation that such an occurrence is not routine and that this is merely a possibility.

2.3.2.3.5 Shareholders' Agreements

To the company's knowledge, there are no declared or undeclared shareholders' agreements concerning Gameloft shares.

2.4 Corporate Governance

2.4.1 Code of Corporate Governance

In application of the 3 July 2008 Act implementing the European Union Directive 2006/46/CE of 14 June 2006, the company shall thus refer to the code of corporate governance of listed companies published in December 2008, resulting from the consolidation of the AFEP and the MEDEF's October 2003 report and the AFEP/MEDEF's January 2007 and October 2008 recommendations on the compensation of executive directors of listed companies (the "AFEP/MEDEF code") notably through the report prescribed by Article L. 225-37 of the French Commercial Code. The AFEP/MEDEF code is available on the MEDEF website (www.medef.fr).

2.4.2 Composition and Operation of the Board of Directors and Management

2.4.2.1 Composition of the Board of Directors

Name	Start Date of Term	Expiration Date of Term
Michel Guillemot Chairman of the Board of Directors	3 December 2001 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Christian Guillemot Director	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Claude Guillemot Director	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Yves Guillemot Director	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
G�rard Guillemot Director	Incorporation meeting of 1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014

2.4.2.2 The Group's Management:

Name	Start Date of Term	Expiration Date of Term
Michel Guillemot Chief Executive Officer	3 December 2001 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Christian Guillemot Executive Vice President Administration	1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Claude Guillemot Executive Vice President Technologies	1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014

Yves Guillemot Executive Vice President Strategy and Development	1 December 1999 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Gérard Guillemot Executive Vice President Strategy and Development	1 June 2008 Term renewed on 25 June 2009	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014

2.4.2.3 Rules Applicable to the Appointment and Replacement of the Members of the Board of Directors

During the course of the company's existence, directors are appointed, reappointed or removed by the Ordinary General Meeting.

Between two meetings, and in case of a vacancy due to death or resignation, the Board of Directors may make appointments on a temporary basis and these appointments must be approved at the next meeting.

When, pursuant to the laws and regulations in force, a director is appointed to replace another director, he holds this office only for the remainder of his predecessor's term.

Directors are appointed for six years. Their terms of office expire at the end of the Ordinary General Meeting called to approve the financial statements of the preceding fiscal year and held during the year in which their terms expire.

2.4.2.4 Operation of the Board of Directors and Management

The Board of Directors defines the company's general strategic policies, which are in turn implemented by General Management under its supervision. Subject to the powers expressly granted to shareholders' meetings and within the limits of the corporate purpose, the Board of Directors deals with all issues affecting the company's proper functioning and, through its proceedings, handles all matters concerning the company. In addition to the Board of Directors' meetings, each director receives information on a regular basis from General Management regarding the company's business and current operations.

To help the Board members prepare their work and based on necessity, memoranda are sent in advance to the Directors. Minutes of the Board of Directors' meetings are prepared at the end of the meeting and sent immediately to all the Directors.

2.4.2.5 Absence of Fraud Conviction, of Association with Bankruptcy or of Incrimination and/or Public Sanction

To the company's knowledge, over the last five years:

- none of the members of the Board of Directors has been convicted of fraud;
- none of the members of the Board of Directors has been associated with a bankruptcy, receivership or court-ordered liquidation proceeding;
- no official public incrimination and/or sanction has been delivered by a statutory or regulatory authority against any of the members of the Board of Directors.

To the company's knowledge, in the last five years no member of the Board of Directors has been prohibited by a court from acting in his capacity as a member of an issuer's administrative, management or supervisory body or from being involved in the management or running of an issuer's business.

2.4.2.6 Loans and Guarantees Granted to the Board of Directors

The company has not extended any loan or granted any guarantee to a member of the Board of Directors.

2.4.2.7 Potential Conflicts of Interest concerning Members of the Board of Directors

To the company's knowledge, there is no potential conflict of interest between any of the members of the company's Board of Directors' obligations toward the company and their own private interests.

Michel, Claude, Yves, Gérard and Christian Guillemot are brothers and members of the Management and Board of Directors of Gameloft SA and Ubisoft Entertainment SA. As such, there may be potential conflicts of interest when these two companies have occasion to work together on certain projects.

The two companies are bound by a trademark license contract under which Ubisoft Entertainment SA granted to Gameloft SA a license to operate trademarks that it owns or for which it was granted a license to operate. The trademark license was granted in return for the payment of royalties proportional to the sales figures posted by Gameloft SA. This agreement is one of Gameloft SA's regulated agreements.

The two companies also collaborated on launching games for the Nintendo DS during fiscal years 2004, 2005, 2006 and 2007. Gameloft SA had developed several titles for the Nintendo DS but did not have the experience or expertise to handle physical distribution, so Ubisoft Entertainment SA managed the distribution chain for the games. The distribution of Gameloft SA's Nintendo DS games was carried out subject to payment to Ubisoft Entertainment SA of royalties proportional to the sales figures posted by Gameloft SA.

Gérard Guillemot is director of Gameloft SA and Longtail Studios Inc. Christian Guillemot is director of Gameloft SA and Longtail Studios Inc. Gameloft SA distributed to its telecom operator customers the *Love Triangle* mobile game developed by the design studios at Longtail Studios Inc.

Michel, Claude, Yves, Gérard and Christian Guillemot are Directors of Gameloft SA and Advanced Mobile Applications Limited. Gameloft SA distributed the mobile games developed by Advanced Applications Limited's design studios.

2.4.2.8 Services Contract with the Issuer and Its Subsidiaries

No services contract has been made between the members of the Board of Directors and the issuer or any of the group's subsidiaries which grants a benefit at the end of such contract.

2.4.3 Composition/Role and Functions of the Board of Directors' Committees

2.4.3.1 Composition of the Committees

Appointments and Compensation Committee	Audit Committee
Michel Guillemot, President	Christian Guillemot, President
Claude Guillemot, Secretary	Yves Guillemot
	Michel Guillemot

2.4.3.2 Role and Functions of the Committees of the Board

2.4.3.2.1 Appointments and Compensation Committee

The role of the Appointments and Compensation Committee is to review the compensation of the members of the Board of Directors, the Chief Executive Officer and the Executive Vice Presidents and to decide whether it is appropriate to grant them stock options. The Committee will review candidacies and make proposals to the Board of

Directors regarding the appointment or reappointment of directors and, in particular, the selection of independent directors.

2.4.3.2.2 Audit Committee

The role of the Audit Committee is to:

- examine the accounts and ensure the appropriateness and consistency of the accounting methods used to prepare the company's consolidated and individual financial statements;
- monitor the financial reporting process;
- monitor the efficiency of the internal control and risk management systems.

2.4.4 Other Offices Held by Directors

2.4.4.1 Offices Currently Held at 31 December 2010

2.4.4.1.1 Offices Currently Held within the Gameloft Group

Member	Offices Currently Held
Michel Guillemot	Manager of Gameloft Rich Games Production France SARL President of Gameloft Partnerships SAS President of Gameloft Live SAS President of Ludigames SAS President and director of Gameloft Inc. (United States) President and director of Gameloft Inc. (Canada) President and director of Gameloft Limited (Great Britain) President of Gameloft Srl (Romania) President of Gameloft Software (Beijing) Company Ltd. (China) President of Gameloft Software (Shanghai) Company Ltd. (China) President of Gameloft Software (Chengdu) Company Ltd. (China) President of Gameloft Software (Shenzhen) Company Ltd. (China) Manager of Gameloft GmbH (Germany) Manager of Gameloft Srl (Italy) Manager of Gameloft EOOD (Bulgaria) Manager of Gameloft S. de R.L. de C.V. (Mexico) Manager of Gameloft S.P.R.L. (Belgium) Manager of Gameloft S.r.o. (Czech Republic) President and director of Gameloft KK (Japan) President and director of Gameloft Company Ltd. (Vietnam) President and director of Gameloft Iberica SA (Spain) President and director of Gameloft Argentina SA (Argentina) President and director of Gameloft Private India (India) President and director of Gameloft Co. Ltd. (Korea) President and director of Gameloft Ltd. (Hong Kong) President and director of Gameloft Philippines Inc. (Philippines) President and director of Gameloft Limited (Singapore) President and director of PT Gameloft Indonesia (Indonesia) Director of Gameloft Live Développements Inc. (Canada) Director of Gameloft Australia Pty Ltd (Australia) Director of Gameloft Limited (Malta) Director of Gameloft de Venezuela SA (Venezuela)
Claude Guillemot	Director of Gameloft Inc. (United States) Director of Gameloft Iberica SA (Spain) Director of Gameloft Inc. (Canada) Director of Gameloft Limited (England) Director of Gameloft Live Développements Inc. (Canada)
Yves Guillemot	Director of Gameloft Inc. (United States)

	Director of Gameloft Live Développements Inc. (Canada)
Gérard Guillemot	Director of Gameloft Inc. (United States) Director of Gameloft Inc. (Canada) Director of Gameloft Live Développements Inc. (Canada)
Christian Guillemot	Director of Gameloft Inc. (United States) Director of Gameloft Iberica SA (Spain) Director of Gameloft Inc. (Canada) Director of Gameloft Limited (England) Director of Gameloft Live Développements Inc. (Canada)

2.4.4.1.2 Offices Currently Held outside the Gameloft Group

Michel Guillemot	Director and Executive Vice President of Guillemot Brothers SA Director and Executive Vice President of Ubisoft Entertainment SA Director of Chengdu Ubi Computer Software Company Ltd (China) Director of Advanced Mobile Applications Ltd. (Great Britain) Director and Executive Vice President of Guillemot Corporation SA Director of Guillemot Inc. (United States) Director of Guillemot Limited (Great Britain) Director of Guillemot Inc. (Canada) Director of Guillemot SA (Belgium)
Claude Guillemot	Director and Executive Vice President of Guillemot Brothers SA Director and Executive Vice President of Ubisoft Entertainment SA Director of Ubisoft Sweden A/B (Sweden) Director of Ubisoft Nordic A/S (Denmark) Alternate member of the liquidation committee of Ubisoft Norway A/S (Norway) Alternate director of Ubisoft Entertainment Sweden A/B (Sweden) Director of Advanced Mobile Applications Ltd. (Great Britain) President of Hercules Thrustmaster SAS Chief Executive Officer of Guillemot Corporation SA President and director of Guillemot Inc. (Canada) President and director of Guillemot Recherche et Développement Inc. (Canada) President and director of Guillemot Inc. (United States) Manager of Guillemot GmbH (Germany) Director of Guillemot Limited (Great Britain) Director of Guillemot Corporation (HK) Limited (Hong Kong) Director of Guillemot SA (Belgium) Director of Guillemot Srl (Italy) Director of Guillemot Romania Srl (Romania)
Yves Guillemot	Director and Executive Vice President of Guillemot Brothers SA Chairman and CEO of Ubisoft Entertainment SA President of Ludi Factory SAS President of Ubisoft Books and Records SAS President of Ubisoft Design SAS President of Ubisoft Graphics SAS President of Ubisoft Manufacturing & Administration SAS President of Ubisoft Organisation SAS President of Ubisoft Pictures SAS President of Ubisoft Productions France SAS President of Ubisoft Simulations SAS President of Ubisoft France SAS President of Ubisoft World SAS President of Ubisoft World Studios SAS President of Tiwak SAS President of Ubi Games SA (Switzerland) President of Ubisoft Nordic A/S (Denmark) President and director of Ubisoft Divertissements Inc. (Canada) President and director of Ubisoft Canada Inc. (Canada) President and director of Ubisoft Music Inc. (Canada) President and director of Ubisoft Music Publishing Inc. (Canada)

	<p>President and director of Hybride Technologies Inc. (Canada)</p> <p>President and director of Ubisoft Entertainment India Private Ltd. (India)</p> <p>President and director of Quazal Technologies Inc. (Canada)</p> <p>President of Ubisoft Holdings Inc. (United States)</p> <p>President and director of Red Storm Entertainment Inc. (United States)</p> <p>Executive director of Shanghai Ubi Computer Software Company Ltd. (China)</p> <p>Vice President and director of Ubisoft Inc. (United States)</p> <p>Manager of Ubisoft Computing SARL (France)</p> <p>Manager of Ubisoft Production Montpellier SARL (France)</p> <p>Manager of Ubisoft Production Annecy SARL (France)</p> <p>Manager of Ubisoft Development SARL (France)</p> <p>Manager of Ubisoft Editorial SARL (France)</p> <p>Manager of Ubisoft Support Studios SARL (France)</p> <p>Manager of Ubisoft Paris Studios SARL (France)</p> <p>Manager of Ubisoft Castelnau SARL (France)</p> <p>Manager of Ubisoft EMEA SARL (France)</p> <p>Manager of Ubisoft Marketing International SARL (France)</p> <p>Manager of Ubisoft Marketing France SARL (France)</p> <p>Manager of Ubisoft Operational Marketing SARL (France)</p> <p>Manager of Ubisoft Counsel & Acquisitions SARL (France)</p> <p>Manager of Ubisoft Studios Montpellier SARL (France)</p> <p>Manager of Ubisoft Production Internationale SARL (France)</p> <p>Manager of Ubisoft Learning & Development SARL (France)</p> <p>Manager of Ubisoft Motion Pictures SARL (France)</p> <p>Manager of Ubisoft Services SARL (France)</p> <p>Manager of Ubisoft Créa SARL (France)</p> <p>Manager of Ubisoft SARL (Morocco)</p> <p>Manager of Ubisoft BV (Holland)</p> <p>Manager of Ubisoft GmbH (Germany)</p> <p>Manager of Blue Byte GmbH (Germany)</p> <p>Manager of Sunflowers Interactive Entertainment Software GmbH (Germany)</p> <p>Manager of Spieleentwicklungskombinat GmbH (Germany)</p> <p>Manager of Max Design Entertainment Software GmbH (Austria)</p> <p>Manager of Ubisoft Entertainment SARL (Luxembourg)</p> <p>Manager of Ubisoft Studios SL (Spain)</p> <p>Manager of Ubisoft Studios Srl (Italy)</p> <p>Director of Ubisoft Entertainment Ltd. (Great Britain)</p> <p>Director of Ubisoft Ltd. (Great Britain)</p> <p>Director of Ubisoft SA (Spain)</p> <p>Director of Ubisoft Studios SL (Spain)</p> <p>Sole director of Ubisoft SpA (Italy)</p> <p>Director of Ubisoft KK (Japan)</p> <p>Director of Ubisoft Nagoya KK (Japan)</p> <p>Director of Ubisoft Srl (Romania)</p> <p>Director of Ubisoft Entertainment Sweden AB (Sweden)</p> <p>Director of Ubisoft Ltd. (Hong Kong)</p> <p>President and director of Ubisoft Chengdu Ltd. (China)</p> <p>President and director of Ubisoft Digital Arts Inc. (Canada)</p> <p>Director and Executive Vice President of Guillemot Corporation SA</p> <p>Director of Guillemot Inc. (United States)</p> <p>Director of Guillemot Limited (Great Britain)</p> <p>Director of Guillemot Inc. (Canada)</p> <p>Director of Red Storm Ltd. (Great Britain)</p> <p>Director of Ubisoft Pty Ltd. (Australia)</p> <p>Director of Ubisoft Sweden AB (Sweden)</p> <p>Director of Advanced Mobile Applications Ltd. (Great Britain)</p>
Gérard Guillemot	<p>Director and Executive Vice President of Guillemot Brothers SA</p> <p>President of Longtail Studios Inc. (United States)</p> <p>Director of Advanced Mobile Applications Ltd. (Great Britain)</p>

	Director and Executive Vice President of Ubisoft Entertainment SA Director and Executive Vice President of Guillemot Corporation SA Director of Guillemot Limited (Great Britain) Director of Guillemot Inc. (United States) Director of Guillemot Inc. (Canada)
Christian Guillemot	Chief Executive Officer of Guillemot Brothers SA President and director of Advanced Mobile Applications Ltd. (Great Britain) Director and Executive Vice President of Ubisoft Entertainment SA Director of Ubisoft Nordic A/S (Denmark) Director of Ubisoft Holdings Inc. (United States) Director of Ubisoft Sweden AB (Sweden) Manager of Guillemot Administration et Logistique SARL Director and Executive Vice President of Guillemot Corporation SA Director of Guillemot Inc. (United States) Director of Guillemot Limited (Great Britain) Director of Guillemot Corporation (HK) Limited (Hong Kong) Director of Guillemot SA (Belgium) Director of Guillemot Inc. (Canada) Director of Guillemot Recherche et Développement Inc. (Canada) Director of Longtail Studios Inc. (United States)

2.4.4.2 Expired Terms (Last 5 Fiscal Years)

2.4.4.2.1 Expired Terms within the Gameloft Group

Member	Expired Terms
Michel Guillemot	Manager of L'Odyssee Interactive Games SARL (France) Director of Jeuxvideo.com SA
Claude Guillemot	Director of Jeuxvideo.com SA
Yves Guillemot	Director of Jeuxvideo.com SA Director of Gameloft Inc. (United States)
Gérard Guillemot	Executive Vice President of Gameloft SA Director of Jeuxvideo.com SA
Christian Guillemot	Director of Jeuxvideo.com SA

2.4.4.2.2 Expired Terms outside of the Gameloft Group

Member	Expired Terms
Michel Guillemot	Director and Vice President of Ubisoft Divertissements Inc. (Canada) Director of Ubisoft Canada Inc. (Canada) Director of Ubi Computer Software Beijing Company Ltd. (China) Director of Ubisoft Ltd. (Hong Kong) Director of Ubisoft SA (Spain) Director of Ubisoft KK (Japan) Manager of Ubi Studios Srl (Italy) Manager of Ubisoft Studios SL (Spain) Director of Ubisoft Inc. (United States) Director of Ubisoft Holdings Inc. (United States) Director of Shanghai Ubi Computer Software Company Ltd. (China)
Claude Guillemot	Director of Ubisoft Ltd. (Hong Kong) Director and Vice President of Ubisoft Divertissements Inc. (Canada) Director of Ubisoft Canada Inc. (Canada) Director of Ubisoft Music Inc. (Canada) Director of Ubisoft Music Publishing Inc. (Canada) Director of Ubisoft Inc. (United States) Director of Ubisoft Holdings Inc. (United States) Director of Shanghai Ubi Computer Software Company Ltd. (China) Director of Ubisoft Limited (Ireland) Vice President of Ubisoft Digital Arts Inc. (Canada)

	Director of Guillemot SA (Spain) Alternate director of Ubisoft Norway A/S (Norway)
Yves Guillemot	President and director of Ubi.com SA President and director of Wolfpack Inc. (United States) President and director of Blue Byte Software Inc. (United States) President of Ubisoft Marketing & Communication SAS President of Ubisoft Finland OY (Finland) Manager of Ubi Administration SARL Manager of Research & Development SARL Manager of Ubi Marketing Research SARL Manager of Ubi Info Design SARL Manager of Ubi Sound Studio SARL Manager of Ubi World Studios SARL Manager of Ubisoft SprL (Belgium) Manager of Ubi Color SARL Director of Ubi.com Inc. (United States) Director of Blue Byte Software Ltd. (United Kingdom) Director of Ubi Studios Ltd. (United Kingdom) Director of Sinister Games Inc. (United States) Director of Ubisoft Ltd. (Ireland) Director of Ubisoft Norway A/S (Norway) President and director of Ubi Computer Software Beijing Company Ltd. (China) Manager of Ubisoft Warenhandels GmbH (Austria) Manager of Ubisoft Books and Records SARL Manager of Ubisoft Manufacturing & Administration SARL Manager of Ubisoft Pictures SARL Manager of Ubisoft Design SARL Manager of Ubisoft Graphics SARL Manager of Ubisoft Organisation SARL Manager of Ubisoft Productions France SARL Co-Manager of Ludifactory SARL
G�rard Guillemot	President of Ludim�dia SAS President and director of Ubi Soft Entertainment Inc. (New York) President and director of Ubi Voices Inc. (United States) President and director of Ubisoft Music Inc. (Canada) President and director of Ubisoft Music Publishing Inc. (Canada) Director of Ubisoft Ltd. (Hong Kong) Director of Ubisoft KK (Japan) Director of Ubisoft SA (Spain) Director of Shanghai Ubi Computer Software Company Ltd. (China) Director of Ubisoft Inc. (United States) Director of Ubisoft Holdings Inc. (United States) Co-Manager of Ludifactory SARL Director of Ubisoft Divertissements Inc. (Canada) Director of Ubisoft Canada Inc. (Canada)
Christian Guillemot	Director of Ubisoft Divertissements Inc. (Canada) Director of Ubisoft Canada Inc. (Canada) Director of Ubisoft Music Inc. (Canada) Director of Ubisoft Ltd. (Hong Kong) Director of Ubisoft Ltd. (Great Britain) Director of Shanghai Ubi Computer Software Company Ltd. (China) Director of Ubisoft Holdings Inc. (United States) Director of Ubisoft Inc. (United States)

2.4.5 Compensation of Senior Executives

In application of Article L. 225-102-1, paragraph 1 and paragraph 2 of the French Commercial Code, presented below are the details of the total compensation and benefits of any kind paid out to company managers during the fiscal year.

2.4.5.1 Compensation and Benefits of Any Kind Earned by Executive Directors

The compensation of the executive directors consists of fixed compensation and benefits in kind. The executive directors do not receive variable compensation. They may be granted stock options and performance shares. The total is determined by the Board of Directors on the recommendation of the Compensation Committee. As of 2009, stock options and performance shares granted to the executive directors are subject to performance conditions.

The tables below include the compensation and benefits of any kind due and/or paid out to the senior executives as related to their mandate by:

- (i.) the company;
- (ii.) the companies controlled, as per Article L. 233-16 of the French Commercial Code, by the company under which the mandate is exercised;
- (iii.) the companies controlled, as per Article L. 233-16 of the French Commercial Code, by the company or companies that control the company under which the mandate is exercised;
- (iv.) the company or companies that control, with respect to the same Article, the company under which the mandate is exercised.

The total gross compensation paid during the fiscal year by the company, controlled companies as defined by IAS 24.16, and by the controlling company where they exercise their mandate, was €1,829,000, of which €154,000 was paid out by Gameloft SA

Amounts in Euros	Gameloft SA	Gameloft Inc.	Gameloft Ltd.		Guillemot Brothers SA	Total Compensation for 2010
	Gross Fixed Compensation	Gross Fixed Compensation	Gross Fixed Compensation	Benefits in Kind	Gross Fixed Compensation	
Michel Guillemot	60,000	0	174,776	30,369	243,756	508,901
Claude Guillemot	31,248	0	0	0	339,996	371,244
Gérard Guillemot	0	36,556	0	0	362,496	399,052
Yves Guillemot	31,248	0	0	0	24,996	56,244
Christian Guillemot	31,248	0	0	0	462,504	493,752

For 2010, the total gross compensation paid to the executive directors, and for which a provision was set up, was €1,829,193.

Summary tables of compensation paid to each executive director (amounts in euros):

Michel Guillemot	2010		2009	
	Amount Owed	Amount Paid	Amount Owed	Amount Paid
Fixed compensation	478,532	478,532	534,593	534,593
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Directors' fees	-	-	22,500	22,500
Benefits in kind	30,369	30,369	29,144	29,144
TOTAL	508,901	508,901	586,237	586,237

Claude Guillemot	2010		2009	
	Amount Owed	Amount Paid	Amount Owed	Amount Paid
Fixed compensation	371,244	371,244	433,740	433,740
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Directors' fees	-	-	22,500	22,500
Benefits in kind	-	-	-	-
TOTAL	371,244	371,244	456,240	456,240

Gérard Guillemot	2010		2009	
	Amount Owed	Amount Paid	Amount Owed	Amount Paid
Fixed compensation	399,052	399,052	559,808	559,808
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Directors' fees	-	-	15,000	15,000

Benefits in kind	-	-	-	-
TOTAL	399,052	399,052	574,808	574,808

Yves Guillemot	2010		2009	
	Amount Owed	Amount Paid	Amount Owed	Amount Paid
Fixed compensation	56,244	56,244	556,248	556,248
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Directors' fees	-	-	30,000	30,000
Benefits in kind	-	-	-	-
TOTAL	56,244	56,244	586,248	586,248

Christian Guillemot	2010		2009	
	Amount Owed	Amount Paid	Amount Owed	Amount Paid
Fixed compensation	493,752	493,752	556,248	556,248
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Directors' fees	-	-	30,000	30,000
Benefits in kind	-	-	-	-
TOTAL	493,752	493,752	586,248	586,248

2.4.5.2 Directors' Fees and Other Compensation Received by Non-Executive Directors

No directors' fees were paid out to Gameloft SA's company managers during the course of the fiscal year ended 31 December 2010.

Marcel Guillemot, the only non-executive director, did not receive compensation for the position of director that he holds on Gameloft SA's Board of Directors during the fiscal year ended 31 December 2010.

2.4.5.3 Company Stock Option and Subscription Plans

The executive directors receiving the options described below must keep in registered form five percent (5%) of the shares resulting from the exercise of options until termination of their duties.

Stock Options Granted to Company Managers by the Company during the Fiscal Year:

STOCK OPTIONS GRANTED DURING THE FISCAL YEAR BY GAMELOFT SA					
Name of Executive Director:	Plan Number and Date	Type of Options	Number of Options Granted	Exercise Price	Exercise Period
- Michel Guillemot	Plan 10 of 01/06/2010	Stock options	300,000	€3.82	50% starting 01/06/2012 through 01/06/2014 and 50% starting 01/06/2013 through 01/06/2014
- Gérard Guillemot	Plan 10 of 01/06/2010	Stock options	37,500	€3.82	50% starting 01/06/2012 through 01/06/2014 and 50% starting 01/06/2013 through 01/06/2014
TOTAL			337,500		

The exercise of stock options granted by the Board of Directors to company managers is subject to the fulfilment of certain conditions:

- a continuous presence in the Gameloft Group;
- a combination of internal performance conditions (goals in terms of marketing new "premium" games) and external performance conditions (related to marketing games for iPhone, iPod touch and iPad by the mobile division of Electronic Arts Inc., a corporation governed under American law).

Furthermore, the exercise of options granted by the Board of Directors to the company managers is conditional on the purchase of stocks by these same executive directors, for a volume equalling 1% of the amount of net gain that each earned after taxes.

Stock Options Granted to Company Managers during Previous Fiscal Years

STOCK OPTIONS GRANTED DURING THE LAST FISCAL YEAR					
Name of Executive Director:	Plan Number and Date	Type of Options	Number of Options Granted	Exercise Price	Exercise Period
- Michel Guillemot	Plan 9 of 14/05/2009	Stock options	300,000	€2.36	50% starting 14/05/2011 through 14/05/2015 and 50% starting 14/05/2013 through 14/05/2015
- Gérard Guillemot	Plan 9 of 14/05/2009	Stock options	37,500	€2.36	50% starting 14/05/2011 through 14/05/2015 and 50% starting 14/05/2013 through 14/05/2015
TOTAL			337,500		

STOCK OPTIONS GRANTED DURING PREVIOUS FISCAL YEARS					
	Plan Number 6 of 11/01/2006	Plan Number 7 of 03/01/2007	Plan Number 8 of 11/04/2008		
Date of Board of Directors' meeting	11/01/2006	03/01/2007	11/04/2008		
Total number of shares eligible for subscription by:					
- Michel Guillemot	90,000	270,000		300,000	
- Christian Guillemot	90,000	30,000	37,500		
- Yves Guillemot	90,000	30,000	37,500		
- Claude Guillemot	90,000	30,000	37,500		
- Gérard Guillemot	90,000	90,000			37,500
Start date for exercising stock options	11/01/2010	03/01/2011	11/04/2012	11/04/2010	11/04/2010
Expiration date	11/01/2012	03/01/2013	11/04/2014	11/04/2014	11/04/2014
Subscription price	€5.35	€4.10	€2.80	€2.80	€2.95
Exercise period	50% per year starting 11/01/2010 through 11/01/2012	From 03/01/2011 through 03/01/2013	From 11/04/2012 through 11/04/2014	1/3 per year starting 11/04/2010 through 11/04/2014	1/3 per year starting 11/04/2010 through 11/04/2014
Number of shares subscribed at 31 December 2010	-	-	-	-	-
Cumulative number of cancelled or voided share subscription options	-	-	-	-	-
Remaining share subscription options at the end of the fiscal year	450,000	450,000	450,000		

2.4.5.4 Bonus Issues of Shares

Executive directors benefiting from bonus shares listed below must keep in registered form five percent (5%) of the total number of shares to be allotted to each of them, until termination of their duties.

Bonus issues of shares allotted during the fiscal year to company managers

BONUS ISSUES OF SHARES ALLOTTED TO COMPANY MANAGERS DURING THE FISCAL YEAR					
Name of Executive Director:	Date of Board of Directors' Meeting	Number of Shares	Date on Which Shares Were Acquired	Date of End of Retention – Date of Transferability	Performance Conditions
- Christian Guillemot	01/06/2010	18,750	01/06/2012	01/06/2014	Internal and external performance conditions
- Yves Guillemot	01/06/2010	18,750	01/06/2012	01/06/2014	Internal and external performance conditions
- Claude Guillemot	01/06/2010	18,750	01/06/2012	01/06/2014	Internal and external performance conditions
TOTAL		56,250			

The transfer of bonus shares is subject to the fulfilment of certain conditions:

- a continuous presence in the Gameloft Group during the entire vesting period;
- a combination of internal performance conditions (goals in terms of marketing new “premium” games) and external performance conditions (related to marketing games for iPhone, iPod touch and iPad by the mobile division of Electronic Arts Inc., a corporation governed under American law, that must be met during the entire vesting period.

Furthermore, given the family structure of the company’s shareholders, the Board of Directors has fixed the amount of shares that each company manager can receive, when bonus shares are available, at 1% of net gain after taxes.

Bonus issues of shares allotted during the previous fiscal year to company managers

BONUS ISSUES OF SHARES ALLOTTED TO COMPANY MANAGERS DURING THE PREVIOUS FISCAL YEAR					
Name of Executive Director:	Date of Board of Directors' Meeting	Number of Shares	Date on Which Shares Were Acquired	Date of End of Retention – Date of Transferability	Performance Conditions
- Christian Guillemot	21/04/09	18,500	21/04/11	22/04/13	Internal and external performance conditions
- Yves Guillemot	21/04/09	18,500	21/04/11	22/04/13	Internal and external performance conditions
- Claude Guillemot	21/04/09	18,500	21/04/11	22/04/13	Internal and external performance conditions
TOTAL		55,500			

2.4.5.5 Compensation and Benefits Due to Termination of the Duties of the Company's Managers

Executive Directors	Employment Contract		Supplemental Retirement Plan		Indemnities or Benefits Owed or Potentially Owed as a Result of the Termination or Change in Duties		Indemnities under a Non-Compete Clause	
	Yes	No	Yes	No	Yes	No	Yes	No
- Michel Guillemot		X		X		X		X
- Christian Guillemot		X		X		X		X
- Yves Guillemot		X		X		X		X
- Claude Guillemot		X		X		X		X
- Gérard Guillemot		X		X		X		X

No commitment has been made in favour of the members of the Board of Directors with regard to compensation, financial consideration or benefits owed or likely to be owed as a result of the termination or change in their duties or subsequent to said duties.

2.4.6 Operations Referred to in Article L. 621-18-2 of the French Monetary and Financial Code and 222-15-3 of the General Regulations of the AMF

Reported by:		Christian Guillemot		
Title:		Director and Executive Vice President		
Description of the financial instrument:		Shares		
Place of operation:		Paris		
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Transfer	08/01/2010	100,000	€4.0225	€402,250
Transfer	25/03/2010	35,000	€3.5179	€123,126.50
Transfer	26/03/2010	65,000	€3.5195	€228,767.50
Transfer	21/05/2010	15,000	€3.73	€55,950
Transfer	24/05/2010	6,801	€3.73	€25,367.73
Transfer	26/05/2010	78,199	€3.773	€295,045

Reported by:		Yves Guillemot		
Title:		Director and Executive Vice President		
Description of the financial instrument:		Shares		
Place of operation:		Paris		
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Transfer	11/01/2010	100,000	€3.9447	€394,470
Transfer	27/05/2010	73,892	€3.822	€282,415.22
Transfer	28/05/2010	96,108	€3.9152	€376,282.04
Transfer	31/05/2010	30,000	€3.9505	€118,515
Transfer	01/06/2010	25,000	€3.9196	€97,990

Reported by:		Claude Guillemot		
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Title:		Director and Executive Vice President		
Description of the financial instrument:		Shares		
Place of operation:		Paris		
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Transfer	25/03/2010	35,000	€3.5179	€123,126.50
Transfer	26/03/2010	25,000	€3.5195	€87,987.50
Transfer	29/03/2010	26,000	€3.5228	€91,592.80
Transfer	30/03/2010	14,000	€3.5507	€49,709.80

Reported by:		Gérard Guillemot		
Title:		Director and Executive Vice President		
Description of the financial instrument:		Shares		
Place of operation:		Paris		
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Transfer	03/05/2010	76,000	€3.943	€299,660.40
Transfer	04/05/2010	22,000	€3.9218	€86,279.60
Transfer	05/05/2010	5,990	€3.810	€22,821.90
Transfer	10/05/2010	6,550	€3.816	€24,997.42
Transfer	12/05/2010	2,000	€3.90	€7,800

Reported by:		Guillemot Brothers Corporation		
Person related to:		Christian Guillemot Title: Director and Chief Executive Officer		
Description of the financial instrument:		Shares		
Place of operation:		Paris		
Type of Operation	Date of Operation	Number of Shares	Price	Amount of Operation
Transfer	13/01/2010	130,796	€3.9342	€514,577.62
Transfer	14/01/2010	190,000	€3.8559	€732,621
Transfer	15/01/2010	190,000	€3.8535	€11,086.52
Transfer	14/06/2010	56,716	€3.8884	€220,534.79
Transfer	15/06/2010	27,752	€3.8571	€107,042.24
Transfer	16/06/2010	13,532	€3.9629	€53,625.96
Transfer	17/06/2010	2,000	€3.90	€7,800
Transfer	09/11/2010	79,159	€4.4150	€349,486.99
Transfer	10/11/2010	29,657	€4.4039	€130,606.46
Transfer	12/11/2010	31,287	€4.4031	€137,759.79
Transfer	15/11/2010	6,068	€4.40	€26,699.20
Transfer	17/11/2010	253,829	€4.4131	€1,120,172.76

3. FINANCIAL STATEMENTS

Consolidated Financial Statements at 31 December 2010

Statement of Consolidated Financial Position at 31 December 2010 (€K)

ASSETS	Notes	Net	
		12-Month Fiscal Year	12-Month Fiscal Year
		31/12/10	31/12/09
Intangible assets	1	14,564	12,602
Tangible assets *	2	5,964	4,579
Non-current financial assets	3	2,337	1,948
Deferred tax assets	4	1,753	1,339
Other non-current receivables	5	2,313	1,424
Non-current assets		26,931	21,892
Inventory	6	-	457
Advance payments made	7	119	149
Trade receivables and related accounts	8	42,100	32,626
Financial assets **	9	71	-
Other receivables and accruals	10	10,637	8,525
Cash and cash equivalents	11	27,038	19,804
Current assets		79,965	61,562
Total Assets		106,896	83,454

* Including assets under a financial lease: €114,000.

** Including advances to affiliates not fully or proportionately consolidated at 31 December 2010: -€K.

LIABILITIES	Notes	12-Month Fiscal Year	
		31/12/10	31/12/09
Share capital		3,754	3,740
Issue and merger premiums		67,452	66,593
Consolidated reserves		-22,823	-28,944
Other reserves		15,834	12,577
Consolidated profit/loss		13,566	5,972
Shareholders' equity capital (group share)	12	77,783	59,937
Minority interests			
Total shareholders' equity capital		77,783	59,937
Provisions for contingencies and charges	13	30	159
Employee benefits	14	353	141
Financial debts	15		
Advance payments received	18		
Other debts	19		
Deferred tax liabilities	16	1,924	1,339
Non-current liabilities		2,307	1,639
Provisions for contingencies and charges	13	-	-
Financial debts*	15	1,906	55
Trade payables and related accounts	17	15,158	12,595
Advance payments received	18		-
Tax and social security liabilities	20	9,290	8,532
Other debts	19	453	697
Current liabilities		26,807	21,878
Total Liabilities		106,896	83,454

* Including advances received by affiliates not fully or proportionately consolidated at 31 December 2010: €0.

Consolidated Statement of Comprehensive Income at 31 December 2010 (€K)

3.1.2.1 Consolidated Income Statement

	Notes	12-Month Fiscal Year 31/12/10	12-Month Fiscal Year 31/12/09
Revenue	21	140,958	121,972
Self-constructed assets	21	10,121	5,380
Closing inventory	21	-443	-1,940
Other business-related income	22	1,357	1,540
Cost of sales	23	-18,911	-12,990
Research & Development costs	24	-75,925	-64,124
Commercial expense	25	-26,998	-28,763
Administrative expense	26	-11,920	-9,908
Change in inventories of finished products	27	-	-31
Provisions	28	-2,553	-2,168
Other operating income	29	379	466
Other operating expenses	29	-1,275	-1,682
Operating income/expense from ordinary activities		14,790	7,753
Other operating income	30	56	-
Other operating expenses	30	-278	-41
Operating income/expense		14,568	7,712
Cost of net financial debt		123	88
Financial income		6,626	2,669
Financial expense		-5,437	2,312
Net financial income/expense	31	1,312	445
Employee profit-sharings		-117	-146
Tax expense	32	-2,197	-2,040
Share in earnings of equity-accounted companies		-	-
Net profit/loss before income from businesses discontinued or being sold		13,566	5,972
Profit/loss of businesses discontinued or being sold		-	-
Net profit/loss for the period **		13,566	5,972
Earnings per share		0.18	0.081
Diluted earnings per share		0.17	0.079

* Including:

- financial income from affiliates not fully or proportionately consolidated at 31 December 2010: €0;

- financial expenses related to affiliates not fully or proportionately consolidated at 31 December 2010: €0.

** The results for this period can be attributed completely to equity capital holders.

3.1.2.2 Consolidated Statement of Net Profit/Loss and Accrued Gains and Losses of Shareholder Equity Capital

	31/12/10	31/12/09
Net profit/loss - Group share	13,566	5,972
Translation gains and losses, net tax	-625	-1,020
Revaluation of hedging derivative instruments		
Revaluation of assets		
Other	-57	
Other comprehensive income items (recorded in shareholders' equity capital and net tax)	-682	-1,020
Consolidated comprehensive income	12,884	4,952

Consolidated Cash Flow Statements at 31 December 2010 (€K)

€K		12-Month Fiscal Year 31/12/10	12-Month Fiscal Year 31/12/09
Cash flow from operating activities			
Net profit/loss		13,566	5,972
Depreciation of tangible and intangible assets	23-24-25-27	13,924	11,880
Change in provisions	22-28-31	1,131	603
Change in deferred taxes	32	95	-165
Income related to stock options and similar	24-25-26	2,283	2,686
Capital gains and losses	29	186	83
Cash from operations		31,185	21,058
Change in inventories	6	457	1,971
Change in trade receivables		- 11,474	61
Change in operating liabilities		2,767	- 3,690
Change in non-trade receivables			
Change in non-operating liabilities (1)			
Change in operating working capital		-8,250	-1,657
Total operating cash flow		22,935	19,401
Investment-related cash flow			
Purchases of intangible assets (2)	1	-9,230	-5,319
Purchases of tangible assets	2	-4,016	-2,362
Purchases of financial assets	3	-	-11
Purchases of other financial assets	3-5	-1,184	-723
Acquisition of advances on licences (1)	1	-5,455	-5,782
Sales of assets/Deconsolidation	28	65	110
Repayment of loans and other financial assets	3	138	870
Repayment of advances on licences			
Change in reporting entity		79	80
Other cash flows			
Total investment-related cash flows		-19,603	-13,137
Cash flow from financing activities			
New long- and medium-term loans			
Repayment of loans	15		-4
Share capital increase	12	14	60
Increase in issue premium	12	859	2,803
Change in shareholders' current accounts		-2	-2
Other cash flows		-57	-18
Total cash flows from financing activities		814	2,839
Impact of translation gains and losses		1,237	-102
Change in cash and cash equivalents	11	5,384	9,002
Net cash and cash equivalents at start of fiscal year		19,749	10,748
Net cash and cash equivalents at end of fiscal year		25,133	1,949

(1) Adjusted to reflect the change in non-operating liabilities for €360,000 in 12/2010 and €32,000 in 12/2009.

(2) Adjusted to reflect the reclassification as expenses of amounts previously capitalised.

3.1.4 Statement of Changes in Consolidated Shareholders' Equity Capital at 31 December 2010 (€K)

	Capital	Additional Paid-in Capital	Consolidated Reserves and Earnings	Reserves Related to Financial Instruments	Consolidated Reserves Stock Options	Other		Shareholders' Equity Capital	Minority Interests	Total Shareholders' Equity Capital
						Translation Gains and Losses	Directly Held Stocks	Group Share		
Position at 31 December 2007	3,653	62,860	-28,167	0	9,891	-1,044	0	47,193	-	47,193
Change in capital of the consolidating company	27	930						957		957
Consolidated fiscal year profit/loss			-1,809					- 1,809		- 1,809
(Gameloft SA net profit/loss: - €5,067,000)										
Other changes			884		2,696	- 485		3,095		3,095
Position at 31 December 2008	3,680	63,790	- 29,092	0	12,587	- 1,529	0	49,436	-	49,436
Change in capital of the consolidating company	60	2,803						2,863		2,863
Consolidated fiscal year profit/loss			5,972					5,972		5,972
(Gameloft SA net profit/loss: - €4,653,000)										
Other changes			147		2,686	-1,167		1,666		1,666
Position at 31 December 2009	3,740	66,593	-22,973		15,274	-2,696		59,936		59,936
Change in capital of the consolidating company	14	859						874		874
Consolidated fiscal year profit/loss			13,566					13,566		13,566
(Gameloft SA net profit/loss: - €9,815,000)										
Other changes			150		2,283	973		3,406		3,406
Position at 31 December 2010	3,754	67,452	-9,257		17,557	-1,723		77,783		77,783

The "translation gains and losses" item includes exchange differentials from conversion of the financial statements of non-euro zone subsidiaries. The conversion reserves consist mainly of the increase in the US dollar between the closing rate of 31/12/09 (€1 = 1.44060) and the closing rate of 31/12/10 (€1 = 1.33620), i.e. - €1,073,000; the increase in the Canadian dollar between the closing rate of 31/12/09 (€1 = 1.51280) and the closing rate of 31/12/10 (€1 = 1.33220), i.e. - €675,000; the increase in the Korean won between the closing rate of 31/12/09 (€1 = 1,666.97) and the closing rate of 31/12/10 (€1 = 1,499.06), i.e. + €329,000; the increase in the yen between the closing rate of 31/12/09 (€1 = 133.16) and the closing rate of 31/12/10 (€1 = 108.65), i.e. + €626,000; the increase in the Mexican peso between the closing rate of 31/12/09 (€1 = 18.92230) and the closing rate of 31/12/10 (€1 = 16.54750), i.e. - €288,000; the increase in the pound sterling between the closing rate of 31/12/09 (€1 = 0.88810) and the closing rate of 31/12/10 (€1 = 0.86075), i.e. + €71,000; and the increase in the Indian rupee between the closing rate of 31/12/09 (€1 = 67.040) and the closing rate of 31/12/10 (€1 = 59.758), i.e. - €57,000.

3.1.5 Notes to the Consolidated Financial Statements

The following notes and tables are presented in thousands of euros.

Introduction

As a global leader in downloadable game development and publishing, since 2000, Gameloft is one of the most innovative businesses in the industry. Gameloft creates games for all digital platforms including mobile telephones, smartphones and tablets (Apple iOS and Android), set-top boxes, Smart TVs, social networks, and consoles. Partnership agreements with major rights holders allow Gameloft to associate its games with big international brands like *UNO*, Spider-Man, *Avatar*, Ferrari, and *Sonic Unleashed*. Gameloft has its own portfolio of original properties with established franchises like *Real Football*, *Asphalt*, *Modern Combat 2: Black Pegasus* and *N.O.V.A. Near Orbit Vanguard Alliance*. Gameloft has a studio on every continent and today employs almost 4,800 people in 26 countries around the world: France, Germany, the United Kingdom, Italy, Spain, Bulgaria, the United States, Canada, Japan, China, Vietnam, Argentina, Mexico, India, Indonesia, Korea, Romania, Brazil, Hong Kong, Singapore, Australia, Ukraine, Hungary, the Czech Republic, the Philippines, and Venezuela.

Gameloft SA is located in France.

Gameloft SA's consolidated financial statements include Gameloft SA and its subsidiaries. The Gameloft Group's consolidated accounts at 31 December 2010 have been approved by the Board of Directors on 23 March 2011.

Gameloft is listed on segment B of the Paris Stock Exchange (ISIN: FR0000079600, Bloomberg: GFT FP, Reuters: GFT).

Highlights

- **Creation:**

Two new companies were created: one in Indonesia (PT Gameloft Indonesia), the other in Shenzhen (Gameloft Software Shenzhen Co. Ltd.).

- **Change in reporting entity:**

The consolidation scope used for fiscal year 2010 differs from that of 2009 with the addition of two subsidiaries and the establishment of two new companies. Gameloft Spri and Gameloft Venezuela were added to the consolidation scope on 1 January 2010, and PT Gameloft Indonesia and Gameloft Software Shenzhen Co. Ltd. be added on the date of their establishment.

- **Share capital increase:**

Gameloft saw an increase of share capital through the exercise of stock options and start-up company stock purchase warrants in the amount of €873,000, issue premiums included. The share capital is currently €3,754,000.

- **Impact of currency fluctuations on revenue:**

The US dollar rose sharply in 2010. This impacted our accounts and, more importantly, our revenue, with a positive exchange rate differential of €1,248,000. The Mexican peso, Brazilian real, Japanese yen, Canadian dollar, Korean won, Australian dollar and pound sterling also increased in 2010, generating a positive revenue differential of €2,321,000.

Accounting Principles and Methods

General Principles – Primary Basis of Accounting

3.1.5.3.1.1 Primary Basis of Accounting

The Gameloft Group's consolidated financial statements at 31 December 2010 are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as of the balance sheet date.

The IFRS as adopted by the European Union may be consulted on the website of the European Commission: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The group did not apply in advance standards, amendments and interpretations for which application was not mandatory as of 1 January 2010.

The IFRS as adopted by the European Union differ from the IFRS published by the IASB in several respects. Nevertheless, the group has made sure that the financial information presented would not have been substantially different if it had applied the IFRS as published by the IASB.

The consolidated financial statements are presented in thousands of euros, noted as €K, the parent company's functional currency.

The group's consolidated financial statements were drawn up on the basis of historical cost, with the exception of derivative instruments and financial assets held for transaction purposes or classified as available for sale, which are measured at their fair value.

Non-current assets are measured at the lower of their book value or fair value minus selling costs.

3.1.5.3.1.2 Effects of the IFRS Accounting Standards and Interpretations Applicable as of 1 January 2010

Standards, amendments and interpretations adopted by the European Union for which application is mandatory for fiscal years starting on 1 January 2010.

Adoption by the European Union of the following accounting standards and interpretations has no impact on the group's financial statements:

- IFRS 1 revised – Additional exemptions for first time adopters;
- Amendment to the IFRS 2 standard – Intra-group transaction whose payment is based on shares and settled in cash or cash equivalents;
- IFRS 3 revised – Business combinations;
- IAS 27 revised – Consolidated and separate financial statements;
- IAS 39 revised – Eligible hedged items;
- IFRS 1 revised – First adoption of the IFRS;
- IFRIC 15 – Agreements for the construction of real estate;
- IFRIC 16 – Hedges of a net investment in a foreign operation;
- IFRIC 17 – Distribution of non-cash assets to owners;
- IFRIC 18 – Transfer of assets from customers;
- Refinements 2007-2009 of the IFRS;
- Refinements 2006-2008 of IFRS 5.

At 31 December 2010, there are no IFRS standards or interpretations published and effective as of 1 January 2010 which are applicable by the group and not adopted by the European Union.

Standards, amendments and interpretations adopted by the European Union for which application is not mandatory for fiscal years starting on 1 January 2010.

The Group has not anticipated the following accounting standards and interpretations as their application was not mandatory on 1 January 2010:

- IAS 24 revised – Related party disclosures (applicable to the accounting periods beginning on or after 1 January 2011);
- Amendment to the IFRS 1 standard – Limited exemption to the presentation of comparative information pertaining to IFRS 7 by early adopters (applicable to the accounting periods beginning on or after 1 July 2010);
- IFRIC 14 revised – Advance payment of minimum funding requirements (applicable to the accounting periods beginning on or after 1 January 2011);
- IFRIC 19 – Extinguishing financial liabilities with equity instruments (applicable to the accounting periods

- beginning on or after 1 July 2010);
- IAS 32 revised – Classification of rights issues (applicable to the accounting periods beginning on or after 1 February 2010).

Standards, amendments and interpretations published by the IASB and not yet adopted by the European Union at 1 January 2010.

- Annual refinements to the 2010 IFRS standards (applicable, according to standards, to the accounting periods beginning on or after 30 June 2010 or 31 December 2010).

3.1.5.3.1.3 Comparability of Accounts and Change in Accounting Estimate

There was no reclassification in the consolidated financial statements at 31 December 2010.

3.1.5.3.1.4 Consolidation Principles

The group's subsidiaries are fully consolidated once the group exercises control over them. Exclusive control is the direct or indirect power to guide a company's financial and operational policies in order to obtain benefits from its activities. To assess control, potential voting rights that are currently exercisable are taken into account, as well as the power to appoint or remove the members of the managing bodies and to have this body hold the majority of voting rights. Control is presumed to exist when the parent company holds, either directly or indirectly, more than one-half of an entity's voting rights.

Subsidiaries' financial statements are included in the consolidated financial statements from the date on which control begins until the date on which it ends.

Ad hoc entities are consolidated if, on the basis of a substantial analysis of the relationship with the group and the expected risks and benefits, the group concludes that it has control over it.

Companies that are not significant to the group are not consolidated. At 31 December 2010, companies excluded from the consolidation scope are companies in the start-up phase or in the process of being sold or liquidated. For information purposes, the key accounting data of these companies is given in Note 5.4.2.

Intra-group transactions for all the group's companies have been eliminated according to the rules applicable to consolidation.

All significant transactions between the consolidated companies as well as unrealised inter-company earnings included in fixed assets have been eliminated.

Earnings of companies that have become part of the consolidated group are consolidated as of each company's acquisition date or creation date. Liquidated companies and companies in the process of liquidation or whose criteria are insignificant are not included in the scope of consolidation.

Subsidiaries

A subsidiary is an entity controlled by Gameloft SA. Control exists when the company has the power to guide, either directly or indirectly, the entity's financial and operational policies in order to obtain benefits from its activities.

To assess control, potential voting rights that are currently exercisable or convertible are taken into account.

Subsidiaries' financial statements are included in the consolidated financial statements from the date on which control begins until the date on which it ends.

- Transactions eliminated in the consolidated financial statements

Balance sheet balances, unrealised gains and losses and income and expenses resulting from intra-group transactions are eliminated when the consolidated financial statements are prepared.

Unrealised gains resulting from transactions with affiliates and jointly-controlled entities are eliminated in proportion to the group's percentage of interest in the entity.

Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that they do not represent an impairment.

- Conversion to euros of items of French companies expressed in foreign currencies

Income and expenses from transactions in foreign currencies are recorded at their equivalent value as of the transaction date.

Assets and liabilities are generally converted at the closing rate, and exchange differentials resulting from this conversion are entered on the income statement.

- Conversion of transactions and financial statements of foreign companies

Conversion of transactions in foreign currencies: the group's entities use their local currency as their functional currency. Transactions in foreign currencies are converted to their functional currency at the exchange rate in effect on the transaction date.

Monetary assets and liabilities in foreign currencies are converted at the exchange rate in effect on the balance sheet date. The resulting foreign exchange gains and losses are recorded as financial income or expense.

Foreign exchange gains and losses related to loans or borrowings with a foreign subsidiary which, in substance, are an integral part of the net investment in this subsidiary, are recognised directly in shareholders' equity capital until the date of sale of the net investment, at which time they are transferred to profit or loss.

Conversion of financial statements of foreign subsidiaries: None of the group's subsidiaries carry out their activity in a hyperinflationary economy.

The foreign entities' accounts are converted to euros as follows:

- Assets and liabilities (including goodwill, if any, and value adjustments as of the acquisition date) are converted based on the official exchange rates in effect on the balance sheet date.
- Income and expenses are converted at the rate close to the exchange rates on the transaction dates.
- Shareholders' equity capital is kept at the historical rate. Translation gains and losses are recorded under shareholders' equity capital. Translation gains and losses are entered on the income statement when the subsidiary is sold.

3.1.5.3.1.5 Estimates and Judgment

Preparation of the consolidated financial statements according to IFRS standards requires that the group's management use judgment and make estimates and assumptions which have an impact on the application of accounting methods and on the amounts shown in the financial statements. These underlying estimates and assumptions are made and reviewed continuously based on past experience and other factors regarded as reasonable in light of the circumstances. They serve as the basis for the exercise of judgement necessary in determining the book values of assets and liabilities, which cannot be obtained from other sources. Actual values may differ from estimated values. Significant judgments made by management to implement the Group's accounting methods and analyse of the main sources of uncertainty relating to estimates are identical to those described in the financial statements for the fiscal year ended 31 December 2009. The accounting methods described below were applied continuously to all the periods presented in the consolidated financial statements and uniformly to the group's entities.

Summary of estimates:

Note	Estimate	Type of Information Disclosed
§ 3.1.5.3.2.2	Impairment losses	Principal hypotheses used to determine the recoverable value of assets
§ 3.1.5.3.2.13 & Note 14	Employee benefits	Discount rate, inflation rate, yield of the plan assets, salary growth rate
§ 3.1.5.3.2.13 & Note 12	Share-based payments	Model, underlying assumptions for determining fair values
§ 3.1.5.3.2.12 & Note 13	Provisions	Underlying assumptions for assessing and estimating risks
Note 32	Corporate income tax	Assumptions used for recognition of deferred tax assets and conditions for applying tax legislation

3.1.5.3.1.6 Segment Information

In light of the group's organisational structure and the commercial links among the various subsidiaries, we proceed on the basis that the group operates in a single market in several geographic regions (Europe, North America and the rest of the world).

In accordance with IFRS 8 - Operating Segments, the segment information by geographic region presented in point 3.1.6 is the information used by the group's management, and particularly by its Chief Executive Officer.

3.1.5.3.2 Valuation Rules and Methods Applied by the Group

3.1.5.3.2.1 Goodwill

Goodwill is the difference between the acquisition cost and the fair value of the assets, liabilities and contingent liabilities identified as of the date of acquisition.

Consolidated goodwill is not amortised, but annual impairment tests are performed at the end of each closing of accounts. The recoverable amount of goodwill is then estimated on the basis of either market value or value in use. Value in use is defined as the sum of discounted cash flows relative to the cash-generating units with which the goodwill is associated. When the market value or value in use is less than the book value, a provision for impairment is recorded and cannot be reversed.

The cash-generating units used to calculate the impairment tests correspond to the subsidiary in question.

Negative goodwill (which according to IFRS 3 is defined as follows: "excess of the acquirer's interest in the fair value of the assets, liabilities and contingent liabilities acquired relative to their cost") is recognised immediately in profit or loss.

3.1.5.3.2.2 Intangible Assets

In accordance with IAS 38 "Intangible Assets", only those assets whose cost can be measured reliably and for which it is probable that future benefits exist are recognised as assets.

- Brands
 - Brands acquired by the company are valued at the end of each year based on their contribution to commercial activity. This contribution is measured using criteria such as presence among the top-selling brands in the market and revenue likely to be generated in the future.

At year-end, if their valuation is less than their book value, a provision for impairment is recorded.

- Expenses related to brands created in-house are recognised as expenses, as are expenses incurred to renew their protection.
- Development costs

Gameloft draws a distinction between two types of activity in order to recognise its development costs:

- Next-generation game consoles

Development costs for next-generation game consoles are capitalised on the balance sheet when the criteria set out in IAS 38 have been met:

- 1) technical feasibility needed to complete the intangible asset for its use or sale;
- 2) the company's intention to complete the intangible asset and to use or sell it;
- 3) the company's ability to use or sell the intangible asset;

- 4) the intangible asset's ability to generate future economic benefits;
- 5) the fact that the company has the appropriate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- 6) the company's ability to reliably measure the costs attributable to the intangible asset during its development.

These costs are measured based on direct salary costs plus social security charges and operating costs.

Development costs are first recognised as intangible assets in progress over the course of development. They are then transferred to the "other intangible assets" account when the game is completed.

Starting on 1 January 2009, these costs are amortised over 18 months on a straight-line basis once the product is released on the market. Technical feasibility is determined on a product-by-product basis. At the end of the fiscal year, and for each software product, a value test is performed and the amount not yet amortised is compared to future sales forecasts. If these sales forecasts are insufficient, a provision for impairment is applied accordingly.

The companies do not conduct basic research.

- Mobile phones:

For mobile phone games, Gameloft currently records development costs as expenses at the time they are incurred. Each year, the company develops and places on various operators' sites thousands of versions of its games covering the 600 different models of mobile telephones on the market and the 12 languages it supports. Given this extreme fragmentation and the more general nature of the sales-related information received from operators, Gameloft is not in a position to reliably calculate mobile phone game development costs and the residual value of each of these versions, which is one of the criteria of IAS 38 for capitalising development costs. Since Gameloft does not meet all the capitalisation criteria, these costs are recognised as expenses, unlike those for new platforms which have been capitalised since fiscal year 2007.

- Licences

Licences cover distribution and reproduction rights acquired from third-party publishers. The signing of licence agreements results in the payment of guaranteed amounts. These amounts are recognised in an "advances on licences" account. All commitments (guaranteed amounts stipulated in the contract) are recognised in the accounts.

These advances are reduced based on the amount of royalties paid in connection with sales or are amortised on a straight-line basis for flat fees.

At the end of the fiscal year, the net book value is compared to the future sales forecasts to which the terms of the contract are applied. If these sales forecasts are insufficient, an additional provision for impairment is then applied accordingly.

- Office software

Office software is amortised over 12 months on a straight-line basis.

3.1.5.3.2.3 Tangible Assets

Expenses related to tangible assets are recorded as assets at their acquisition cost when the following criteria are met:

- it is probable that future economic benefits are associated with this asset;
- the acquisition cost can be reliably measured.

Tangible assets are shown on the balance sheet at their cost price less accumulated amortisation and accumulated impairment losses, if any. Assets are shown on the balance sheet at their acquisition cost less cash discounts and any investment subsidies granted. Given the types of assets owned, no component separate from the principal assets has been identified. The residual values are considered zero.

No borrowing costs are added to the costs of the assets.

The depreciation calculated on the basis of rates consistent throughout the group is determined according to the following methods and useful life:

- fixtures and facilities: 5 years (straight-line method)
- transportation equipment: 5 years (straight-line method)
- computer and telephone equipment: 2 and 3 years (straight-line method)
- furniture: 10 years (straight-line method).

The residual values and useful lives of the assets are reviewed and, where applicable, adjusted annually or when operating conditions are subject to long-term changes.

3.1.5.3.2.4 Assets Acquired through Direct Financing Leases

Lease contracts that transfer nearly all risks and benefits inherent to ownership of the asset are considered direct financing leases.

Assets financed through direct financing leases are restated in the consolidated financial statements as if the company had acquired them directly and financed them through loans.

The amount recorded on the asset side is equal to the lower of the fair value of the leased asset or the present value of the minimum lease payments, less amortisation cost and total impairment.

3.1.5.3.2.5 Non-Current Financial Assets

- Equity holdings and long-term investments are recorded as “assets available for sale” since they are not held for the purpose of realising short-term profits. These assets are shown on the balance sheet at their fair value. Changes in fair value are recorded under shareholders’ equity capital.
- Other securities are valued at their historical cost, exclusive of incidental expenses.
- Deposits and guarantees are recorded under “Loans and receivables”.

These are primarily current account advances made to the group’s non-consolidated subsidiaries. A provision is set up for these advances if the subsidiary’s revalued net position, reduced to the percentage owned, becomes negative when impairment tests are performed.

3.1.5.3.2.6 Deferred Tax and Current Tax

Income tax: expense or income that includes the current tax expense/income and the deferred tax expense/income. Tax is recognised in profit or loss unless it pertains to items that are recognised directly in shareholders’ equity capital, in which case it is recognised in shareholders’ equity capital.

Current tax is:

- The estimated amount of tax due on taxable profit for a period. It is calculated using the tax rates adopted or substantively adopted as of the balance sheet date.
- Any adjustment to the amount of current tax for previous periods.

Deferred tax is determined and recognised based on the balance sheet approach of the liability method for all temporary differences between the book value of the assets and liabilities and their tax basis. The following items do not result in recognition of deferred tax:

- initial recognition of goodwill;
- initial recognition of an asset or liability in a transaction which is not a business combination and which affects neither accounting income nor taxable income.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the asset is realised and the liability is settled based on the tax laws that have been adopted or substantively adopted by the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that the Group will have future taxable income on which the temporary differences can be applied. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available.

Deferred taxes are shown on the balance sheet separately from payable tax assets and liabilities and are recorded as noncurrent items.

3.1.5.3.2.7 Other Non-Current Receivables

Other non-current receivables include Research and Development tax credits from prior fiscal years. They are recorded when they are definitively accepted from the local bodies.

3.1.5.3.2.8 Inventory

In accordance with IAS 2, inventory is recorded at the lower of the cost of the finished products and the net realisable value.

Inventory is valued using the FIFO method. The gross value of finished products includes the purchase price and incidental expenses. Financial costs are excluded from inventory valuation in all cases.

A provision for impairment is set up when the probable net realisable value is less than the book value. Any write-back of depreciation of inventory is recorded as a reduction of the inventory amount recorded as an expense during the fiscal year in which the write-back occurs.

3.1.5.3.2.9 Trade Receivables and Related Accounts

Trade receivables and related accounts were measured at their fair value at the time they were recorded. Since receivables are due in less than one year, they are not discounted. Where applicable, a provision for impairment is set up based on the expected collectability of the receivables at year end.

3.1.5.3.2.10 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and cash equivalents as defined by IAS 7: short-term investments – generally less than three months – which are easily cashable or sellable in very little time, convertible to an amount of cash and not subject to a significant risk of changes in value through the income statement. They are entered on the balance sheet at their fair value and changes are recorded in profit or loss.

3.1.5.3.2.11 Share Capital

Ordinary shares:

Incidental costs directly attributable to the issue of ordinary shares or stock options are recognised as a deduction from shareholders' equity capital, net of tax effects.

Treasury shares:

Shares of the parent company which are held by the parent company or one of its consolidated subsidiaries are recognised as a reduction of shareholders' equity at their acquisition cost. Changes in fair value during the holding period are not recognised. Gains or losses on disposal of these securities are charged to shareholders' equity capital, net of tax effects.

The group currently has no treasury shares.

3.1.5.3.2.12 Provisions for Contingencies and Charges

A provision is recorded when:

- the company has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources representing economic benefits will be needed to settle the obligation;
- the amount of the obligation can be measured reliably.

If these conditions are not met, no provision is recorded.

Therefore, provisions for estimated returns and price guarantees are recorded as a deduction from product sales completed through distributors. They are estimated based on statistics of past sales and on the economic context and forecasted product sales to end customers.

3.1.5.3.2.13 Benefits Granted to Employees

- Retirement indemnities

In accordance with each country's laws and practices, Gameloft participates in retirement, social security and pension plans, the benefits of which depend on various factors, such as seniority, salaries and payments made to mandatory public plans.

These may be defined contribution plans or defined benefit plans:

- For defined contribution plans, the pension supplement is determined by the accumulated capital resulting from the contributions made by the employee and the company to external funds, which are generally public pension plans or specific defined contribution plans. Expenses correspond to the contributions made during the fiscal year. The group has no subsequent obligation to its employees.
- For defined benefit schemes (or plans), the employee receives from the group a payment on retirement determined according to parameters such as age, length of employment and salary. Within the group, this is the practice applied in France.

Based on the way each plan works and the data provided by each country, an actuarial calculation called "projected unit credit method" has been used to measure the employer's future obligations. This method entails determining the value of each employee's probable and discounted future benefits at the time of his/her retirement.

The assumptions made as of 31 December 2010 are as follows:

	France
Rate of growth in salaries	1 to 3%
Discount rate	3%
Retirement initiated by the employee	65 years

In addition, changes in the workforce, the estimate of which is based on the prospective life table established by the INSEE and a turnover rate resulting from statistical observation are considered.

Within the Gameloft Group, defined benefit plans are not funded by any investments in various instruments, equity capital securities or bond investments.

- End of contract indemnities

The provision for end-of-employment contract indemnities for employees in Vietnam includes the accumulated benefits acquired by the employees during their year of service until 2008. The indemnities are paid to the employee upon his/her termination and the group has no further debts toward the employee once the indemnity is paid. Rights are updated annually based on the provisions that apply in Vietnam. Unemployment coverage funded by the employer and the employee was introduced in 2009.

Gameloft has not set up special employee benefits.

- Stock options

The benefit granted to employees at the time of issuance of stock options (value of the option as of the date of issuance) and bonus shares constitutes additional compensation recorded as a payroll expense and spread out over the benefit vesting period.

For stock option and bonus shares, the accounting expense represents the valuation of the options as of the grant date of each plan. The fair value of the options therefore depends on the date on which they are vested. The recognition of this deferred compensation as loss is spread out over the vesting period.

In accordance with IFRS 2, only plans issued after 7 November 2002 and for which vesting had not occurred on 1 January 2005 are measured and recorded as payroll expenses. Prior plans are not measured and not recorded.

Volatility criteria have been established based on two phases:

- determination of the historical volatility of the share price over a period commensurate with the term of the option;
- recognition of concrete information which suggests that the future will differ from the past.

The risk-free rate, also called “constant maturity rate”, is the yield of a notional French fungible Treasury bond with a 5- or 7-year maturity.

The method used to value stock options and bonus shares is based on the binomial model.

Plans in effect as of 31 December 2010:

	2006 Stock Option Plan		2007 Stock Option Plan	2008 Stock Option Plan
Volatility	46% (1)		39% (2)	45% (3)
Turnover rate linked to termination from the group	8% per year		8% per year	5.5% per year for France 12% per year for the USA – Canada 8% per year for the rest of the world
Assumptions regarding distributions of dividends	None		None	None
Risk-free rate	Yield of 5- and 6-year zero-coupon bonds		Average between the 5-year constant maturity rate and the 7-year constant maturity rate	Average between the 5-year constant maturity rate and the 7-year constant maturity rate
	3.93%	3.85% in June 2006	3.93%	3.9%

(1) Volatility was determined by restating Gameloft’s historical share price over the first three years of listing. The economic model used at that time was completely revised in relation to its current model, which means that the change in share price cannot be comparable to its change in subsequent years.

(2) Volatility was determined by restating Gameloft’s historical share price over the first three years of listing.

(3) Volatility was determined by using Gameloft’s historical share price from April 2003 to April 2008.

	2009 Stock Options and Bonus Shares Plan		2010 Stock Options and Bonus Shares Plan	
Volatility	44% (4)		55% (5)	
Turnover rate linked to termination from the group	5.5% per year for France 8% per year for the USA – Canada 8% per year for the rest of the world		6 % per year for France 8% per year for the rest of the world	
Assumptions regarding distributions of dividends	None		None	
Risk-free rate	Yield of 5- and 6-year zero-coupon bonds		Average between the 3-year constant maturity rate and the 5-year constant maturity rate	
	2.95%	2.39% for the bonus shares allotted	1.36%	1.36%

(4) Volatility was determined by using Gameloft’s historical share price from April 2004 to April 2009

(5) Volatility was determined by using Gameloft’s historical share price from June 2007 to June 2010.

- Individual right to training (DIF)

The law of 4 May 2004 gives French employees an individual right to training (*droit individuel à la formation* - DIF). This new right entitles them, at their request but with the employer’s approval, to take part in training courses.

Each year, based on the agreements applicable at the company, full-time personnel employed under open-ended contracts who have at least one year of seniority at the company acquire a right to 20 hours of training. Employees with one year of seniority as of 7 May 2005 may benefit from this law.

The rights acquired annually may be accumulated over a six-year period, i.e. a maximum of 120 hours.

3.1.5.3.2.14 Trade Payables and Related Accounts

Trade payables and related accounts are valued at the amortised cost.

3.1.5.3.2.15 Revenue

In accordance with IAS 18, all revenue is measured net of rebates, discounts, reductions, cash discounts and provisions for product returns.

Revenue from mobile game activity is the company's core business thanks in particular to innovations by long-time telephone manufacturers and the arrival of powerful newcomers. Revenue is determined via information from our distribution network (operators, affiliates, manufacturers, etc.) showing the number of downloads of our games to their various servers and based on the terms of the contract.

Console revenue comes from the three home console game download services (Xbox Live Arcade, WiiWare and PlayStation Network), from social networks, the latest generation of set-top boxes, and Smart TVs as well as from the sale of physical game products. For downloadable game revenue, we use the same accounting method as the mobile game activity. However, revenue from sales of "physical products" is recorded as income from sales less a provision for estimated returns, price guarantees and discounts, where applicable.

Provisions for estimated returns and price guarantees are recorded as a deduction from product sales completed through distributors. They are estimated based on statistics of past sales and on the economic context and forecasted product sales to end customers.

3.1.5.3.2.16 Cost of Sales

Cost of sales includes console game cartridge or disc production costs excluding change in inventory, royalties and costs related to the sale of games based on the various download options.

3.1.5.3.2.17 Operating Income/Expense from Ordinary Activities and Total Operating Income/Expense

Operating income/expense from ordinary activities is defined as all income and expenses not resulting from financial activities, equity-accounted companies, businesses discontinued or being sold and taxes.

Total operating income/expense includes operating income/expense from ordinary activities and other operating income and expenses.

Other operating income and expenses are few in number and correspond to unusual, abnormal and infrequent events.

The group believes that the "Operating income/expense from ordinary activities" subtotal presented separately in the income statement makes recurrent operational performance easier to understand and gives users of the financial statements useful information for analysing this performance.

3.1.5.3.2.18 Cost of Financing and Other Financial Income and Expenses

Net financial income/expense consists of the cost of net financial debt and other financial income and expenses.

The cost of net financial debt includes:

- cash and cash equivalents income, which includes gains/losses on disposals of short-term investment securities and interest income;
- the cost of gross financial debt, which includes all interest expense on financing operations.

Other financial income and expenses include gains/losses on disposals of non-consolidated shares, changes in fair value of financial instruments (assets, liabilities and derivatives), foreign exchange gains and losses and other financial income and expenses.

Gameloft does not use derivative instruments to manage or reduce its exposure to risks of changes in foreign exchange rates which are found in organised or over-the-counter markets (cross-currency swaps, etc.).

3.1.5.3.2.19 Cash Flow Statement

The cash flow statement is presented according to the indirect method (on the basis of net profit/loss) in accordance with IAS 7.

Cash flows for the fiscal year are broken down into flows generated by business activity, investment operations and financing activities.

Cash from operations is determined by adding to net profit/loss (or deducting from it, depending on the case) net depreciation, net provisions (excluding ordinary provisions), gains/losses on disposals, tax expense and calculated expenses related to stock options.

Net cash flows from operating activities exclude net change in working capital requirement related to tangible and intangible assets.

Net cash flows related to investment activities include net change in working capital requirement related to tangible and intangible assets.

Net cash flows related to financing activities include net interest paid on loans and changes in current accounts.

The net impact of changes in reporting entity is presented in a special section on cash flows related to investment operations.

The cash assets shown in the cash flow statement include cash, short-term investment securities, cash equivalents and cash credit.

No parent company dividends were paid at 31 December 2010 with regard to 2009 profit.

3.1.5.3.2.20 Related Parties

The group's related parties include companies over which the group exercises control – i.e. the power to guide an entity's financial and operational policies in order to obtain benefits from its activities –, joint control or significant influence, shareholders who exercise joint control over the group's joint ventures, minority shareholders who exercise significant influence over the group's subsidiaries, the group's company managers, executives and directors, persons having the authority and responsibility for the planning, management and control of the entity's activities, either directly or indirectly, and companies in which these persons exercise control, joint control or significant influence or hold a significant voting right.

3.1.5.3.2.21 Earnings per Share

The group calculates earnings per share using, on the one hand, net profit and, on the other hand, net profit of the consolidated group before taxes and minority interests.

- Earnings per share:

This is the ratio of net profit to the weighted average number of outstanding shares.

- Diluted earnings per share:

These earnings are calculated by dividing:

- net profit before dilution plus the after-tax amount of savings in financial costs resulting from the conversion of the diluting instruments;
- by the average weighted number of outstanding ordinary shares, plus the number of shares that would be created as a result of the conversion of the convertible instruments into shares and the exercise of rights.

	31/12/10	31/12/09
Net profit/loss - Group share (€) – A	13,566,374	5,971,511
Number of weighted ordinary shares – B	74,887,287	73,926,449
Net earnings per share – C = A/B	0.181	0.081
Number of weighted ordinary shares after inclusion of potentially diluting instruments – D	78,155,708	74,797,874
Net profit/loss (€) – E	13,566,374	5,971,511
Net earnings per diluted share – F= E / D	0.174	0.079
Operating income/expense from ordinary activities (€)	14,789,946	7,752,918
Operating income/expense from ordinary activities per share	0.1975	0.1048
Operating income/expense from ordinary activities per diluted share	0.1892	0.1036

The number of diluted shares related to stock options is 2,411,202 shares and the number of diluted shares related to bonus share plans is 661,582 shares.

Scope of Consolidation

3.1.5.3.3 Companies Included in the Gameloft Group's Consolidated Financial Statements at 31 December 2010

Only significant entities are presented in the table below. The materiality of an entity is assessed in terms of its contribution to the Group's self-constructed assets and sales figures. Other subsidiaries and any ad hoc entities whose contributions are insignificant are not included in this list.

Company	Country	Acquisition /Creation Date	Activity - Sector	Percentage of Interest	Percentage of Control	Method
Gameloft SA 429 338 130	France	1999	Mobile Distribution / Production	-	Parent company	Full Consolidation
Gameloft Inc.	USA	2000	Mobile Distribution / Production	100%	100%	Full Consolidation
Gameloft Inc. Divertissement	Canada	2000	Mobile Distribution / Production	100%	100%	Full Consolidation
Gameloft Ltd.	United Kingdom	2001	Mobile Distribution / Production	99.50%	100%	Full Consolidation
Gameloft Iberica SA	Spain	2001	Mobile Distribution / Production	100%	100%	Full Consolidation
Gameloft SRL	Italy	2001	Mobile Distribution / Production	99.74%	100%	Full Consolidation
Gameloft SRL	Romania	2001	Mobile Distribution / Production	100%	100%	Full Consolidation
Gameloft Software Beijing Ltd.	China	2003	Mobile Distribution / Production	100%	100%	Full Consolidation
Gameloft Software Shanghai Ltd.	China	2004	Mobile Distribution / Production	100%	100%	Full Consolidation
Gameloft KK	Japan	2004	Mobile Distribution / Production	100%	100%	Full Consolidation
Gameloft Ltd. Vietnam	Vietnam	2004	Mobile Distribution / Production	100%	100%	Full Consolidation
Gameloft S. de R.L. de C.V.	Mexico	2005	Mobile Distribution / Production	99.85%	100%	Full Consolidation
Gameloft Privated Ltd.	India	2005	Mobile	99%	100%	Full Consolidation

Gameloft Co. Ltd.	Korea	2005	Production / Distribution	100%	100%	Full Consolidation
Gameloft Argentina	Argentina	2005	Mobile Production / Distribution	100%	100%	Full Consolidation
Gameloft Do Brasil Ltda	Brazil	2007	Mobile Production / Distribution	99%	100%	Full Consolidation

The annual balance sheet date for consolidated companies is 31 December.

Companies Not Included in the Gameloft Group's Consolidated Financial Statements at 31 December 2010

Companies that are not significant to the group are not consolidated.

At 31 December 2010, companies excluded from the consolidation scope are companies in the start-up phase.

The criteria applied are the company's activity, number of employees, total non-group revenue and the company's balance sheet total. All these criteria determine whether the company is significant and whether or not it should be included in the scope of consolidation.

For information purposes, the key accounting data of these companies is as follows:

Company	Country	Creation Date	Activity - Sector	Percentage of Interest	Balance Sheet Total (€K)	Total Shareholders' Equity Capital(€K)	Total Revenue (€K)	Number of Employees	Off-Balance Sheet Commitments
Gameloft Dubai	Dubai	2008	None	100%	-	-	-	-	-

Change in Reporting Entity

The consolidation scope used for fiscal year 2010 differs from that of 2009 with the addition of two subsidiaries and the establishment of two new companies. Gameloft Sprl and Gameloft Venezuela were added to the consolidation scope on 1 January 2010, and PT Gameloft Indonesia and Gameloft Software Shenzhen Co. Ltd. will be added on the date of their establishment.

Amount in €K	Net Intangible Assets	Net Tangible Assets	Net Financial Assets	Cash and Cash Equivalents	Current Assets Excl. Cash and Cash Equivalents	Debts
			Securities	Deposits & Guarantees		
Gameloft Venezuela	-	-	-	5	3	7
Gameloft Sprl	-	-	-	19	-	1

Notes to the Balance Sheet

1. OTHER INTANGIBLE ASSETS

Other intangible assets at 31 December 2010 were as follows:

Assets	At 31/12/09 Cumulative	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/10 Cumulative
Software	1,542	684	-123	-2	1	111	2,213
Marketed games	11,391	4,467	-44	2,218			18,032
Advances on licences	18,551	5,095	-1,241			47	22,452
Games in production	2,709	5,577	-1,455	-2,218			4,613

TOTAL	34,193	15,823	-2,863	-2	1	158	47,311
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Amortisation	At 31/12/09 Cumulative	Increases	Decreases	Book Transfer	Change in Reporting Entity	Exchange Differential	At 31/12/10 Cumulative
Software	1,127	719	-24	-1		67	1,888
Marketed games	7,657	5,042					12,700
Advances on licences	11,151	5,319	-1,198			113	15,385
Games in production	-						
Subtotal	19,936	11,080	-1,222	-1		180	29,973

Provisions							
Marketed games	1,021	1,819	-1,091				1,749
Games in production	66	292	-66				292
Advances on licences	567	216	-50				733
Subtotal	1,654	2,327	-1,207				2,774

TOTAL	21,590	13,407	-2,429	-1		180	32,747
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Marketed games include development costs of finished or marketed games for new platforms such as Nintendo 3DS, DSi, WiiWare, Apple's iPad, the PSP and PS3 on Sony's PlayStation Network, and Facebook, etc. in the amount of €4,423,000.

Games in production include development costs of games not yet completed as of the balance sheet date and this year, which total €4,123,000.

The company performs feasibility tests of projects and their marketing. In 2010, Gameloft conducted a review of its current projects. Based on these results, the company decided to record as expenses previously capitalised costs in the amount of €1,499,000.

Advances on licences pertain to licence agreements signed with various automobile manufacturers, golf courses, top-ranked athletes like golfers Anthony Kim, Vijay Singh, and Camillo Villegas, footballers Steven Gerrard and Robinho, legendary wrestler Hulk Hogan, FIFPro (International Federation of Professional Footballers), the NBA, the NFL and so on.

In 2010, new licence agreements were signed mainly with Universal for the *Jurassic Park* film, Capcom for several games such as *Resident Evil* and *Street Fighter*, Warner Bros. for the release of the final instalment of *Harry Potter and the Deathly Hallows*, Fox for the adaption of the *Avatar* game on various platforms, Les éditions Albert René for the release of the *Astérix* game, and Marvel for *Iron Man 2*. Gameloft also signed licence agreements related to board games, TV series, and game shows such as *Blokus*, *UNO*, *Sonic* by Sega, *Deal or No Deal*, *Heroes*, *CSI*, etc.

The decreases in provisions for marketed games and games in production in the amount of €1,157,000 correspond to value tests on some provisions recorded in December 2010.

The decrease in advances on licences in the amount of €1,241,000 pertains to licences to which Gameloft is no longer contractually entitled as of 31 December 2010.

The increase in amortisation and provisions for marketed games and games in development was €5,042,000 and €2,111,000, respectively. The amortisations correspond to an amortisation plan over 18 months of development costs as of the game's release date. Value tests were conducted on all marketed games and games in development at the end of the fiscal year, which resulted in the recording of a provision in the amount of €2,111,000.

The increase in amortisation for advances on licences resulted from the rise of sales, which led to an increase in royalties prorated based on the sales of various licensed products or amortised on a straight-line basis according to the duration of the contract for flat fees in the amount of €5,319,000.

In light of the weak sales outlook for certain licences, an additional amortisation in the amount of €216,000 was recorded at 31 December 2010.

2. TANGIBLE ASSETS

Tangible assets are as follows:

Assets	At 31/12/09	Increases	Decreases	Change in Reporting	Exchange	At 31/12/10
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	Cumulative			Entity	Differential	Cumulative
Plant and machinery	2,410	484	-258		231	2,868
Transportation equipment	2		-2			-
Computer equipment and furniture	11,706	3,532	-		732	15,708
			25			
			9			
Leased computer equipment	111		-12		15	114
TOTAL	14,230	4,016	- 53		977	18,690
			0			

The increase in tangible assets was due to:

- the development of different production studios and the replacement of certain equipment;
- the purchase of mobile telephones for the purpose of creating games and the purchase of development kits for use with Nintendo, Sony, etc.

The reductions in computer equipment are related to sales and disposals as a result of accidents.

The reductions in general facilities are mainly due to disposals.

Depreciation	At 31/12/09 Cumulative	Increases	Decreases	Change in Reporting Entity	Exchange Differential	At 31/12/10 Cumulative
Plant and machinery	1,247	467	-168		104	1,650
Transportation equipment	1		-1			-
Computer equipment and furniture	8,295	2,482	-241		431	10,966
Leased computer equipment	107	1	-12		14	110
Construction work in progress						
TOTAL	9,651	2,950	-423		549	12,726

3. NON-CURRENT FINANCIAL ASSETS

Assets	At 31/12/09 Cumulative	Increases	Decreases	Reclassification s	Change in Reporting Entity	Exchange Differential	At 31/12/10 Cumulative
Non-consolidated companies (gross values)	64				-26		38
Deposits and guarantees	1,741	505	-138		9	182	2,299
Loans	150				- 150		-
TOTAL	1,954	505	-138		- 167	182	2,337

The increases in deposits and guarantees mainly concern Gameloft Korea (€150,000), Gameloft Iberica (€143,000), Gameloft Vietnam (€78,000), and Gameloft Bulgaria (€25,000).

The decreases mainly concern Gameloft Iberica (€53,000), Gameloft Argentina (€22,000), Gameloft Shanghai (€16,000), and Gameloft Philippines (€12,000).

Provisions	At 31/12/09 Cumulative	Increases	Decreases	Change in Reporting Entity	At 31/12/10 Cumulative
Non-consolidated companies		6		-6	-
TOTAL		6		-6	-

Percentage of ownership of non-consolidated companies:

Company	Acquisition Cost of Shares in €K	Percentage of Ownership	Shareholders' Equity in Foreign Currencies	Net Profit/Loss in Foreign Currencies	Net Profit/Loss in €K	Net Book Value in €K
Gameloft Dubai	38	100.00%	37,638	-		38
* Amounts in foreign currencies	38					38

Companies over which the group does not exercise significant influence are not part of the consolidation scope. The other companies excluded from the consolidation scope are excluded because they are not significant to the group (see note 3.1.5.4.2).

4. DEFERRED TAX ASSETS

	31/12/10	31/12/09
Capitalised losses	90	134
Timing differences	1,664	1,205
TOTAL	1,753	1,339

Deferred tax assets are recorded if they are likely to be recovered, in particular if taxable income is expected during the period in which the deferred tax assets are valid.

Timing differences mainly concern provisions for accrued expenses and deferred depreciation.

The expiration periods of the tax losses are as follows:

- 5 years: €45,000
- 20 years: €45,000.

Capitalised/non-capitalised losses:

	31/12/10		31/12/09
€K	Capitalised Losses	Non-Capitalised Losses	Capitalised Losses
Gameloft Hong Kong		456	
Gameloft Canada	11		
Gameloft Iberica		494	
Gameloft Brazil		176	
Gameloft Australia		302	41
Gameloft SA		30,871	
Gameloft KK		2,394	
Gameloft Cheng Du	45	638	40
Gameloft Singapore		155	
Gameloft Divertissements Live	34		53
Gameloft Belgium		3	
Gameloft Bulgaria		33	
Gameloft Venezuela		29	
PT Gameloft Indonesia		120	
Gameloft Czech Republic		156	
Gameloft Ltd. UK		2,513	
Gameloft Ltd. Co		3,108	
Gameloft GmbH		1,837	
TOTAL	90	43,395	134

The expiration periods of the non-capitalised tax losses are as follows:

- 3 years: €29,000
- 4 years: €176,000
- 5 years: €947,000
- 7 years: €2,394,000
- 10 years: €3,108,000
- 15 years: €494,000
- unlimited: €36,138,000.

Given the business and development challenges for 2011, it was decided not to capitalise Gameloft SA's €30,871,000 deficit which includes a non-recognised deferred tax asset of €10,291,000.

It was decided not to capitalise this loss carry-forward in the amount of €10,291,000 for fiscal year 2010 even though the company's taxable income amounted to €9,573,000 in 2010 and €2,360,000 in 2009. There are, in fact, a certain number of operational risks which make it impossible to ensure, with absolute certainty, that the coming fiscal years will be profitable, unlike the previous two fiscal years. The company has invested significantly in social gaming in fiscal year 2010. These games, which work on social networks such as Facebook, constitute an entirely new kind of venture for Gameloft, one whose business model differs drastically from the company's usual ventures. Because of this, it is possible that this new venture will result in losses for the company.

On the other hand, the mobile gaming industry is going through a transition period characterised by consumer migration from Java-based mobile phones to smartphones. This trend is particularly beneficial to the industry over the long term, but in the short term this progress results in decreased growth of Java activity in some countries where the migration of consumers is not yet offset by the purchases of games for their smartphones, often due to delays by operators and manufacturers in setting up a distribution channel and digital portals for downloading applications on their phones.

Given the circumstances, it seems prudent for the company to not capitalise Gameloft SA's loss carry-forward from 2010.

5. NON-CURRENT TAX RECEIVABLES

	31/12/10	31/12/09
Gameloft Divertissements Inc.	2,313	1,424
TOTAL	2,313	1,424

These tax receivables are R&D tax credits for our Canadian subsidiary from 2005 to 2009.

Gameloft Divertissements received notices of assessment for the non-refundable R&D credits claimed by the company for fiscal years 2005, 2006 and 2007. The tax audit was conducted by the tax authorities and these amounts were recognised.

The amount of the 2005 credit can be carried over for 10 years, and the amounts of the subsequent years can be carried over for 20 years.

6. INVENTORIES OF FINISHED PRODUCTS

Description	At 31/12/09	Gross Value	Provision	At 31/12/10
Asphalt Nintendo DS cartridges	-	-	-	-
Nintendo DS cartridges	380	7	-7	-
PS3 discs	29	1	-1	-
Wii discs	48	6	-6	-
TOTAL	457	14	-14	-

At the end of 2008, Gameloft released several game cartridges or discs for the following games: *Real Football 2009* and *Guitar Rock Tour* for the Nintendo DS, the *TV Show King* game for Nintendo Wii and *Brain Challenge* for PS3.

Asphalt Nintendo DS cartridges and the aforementioned new games are sold worldwide.

The inventory was totally depreciated at 31 December 2010 for €14,000 given forecasted sales for the coming years.

The inventory has not been put up as collateral.

7. ADVANCE PAYMENTS MADE

	At 31/12/09	Increase	Decrease	At 31/12/10
Advance payments made	149		-30	119
TOTAL	149		-30	119

Advance payments made mainly concern Gameloft Beijing (€31,000) and Gameloft Vietnam (€12,000).

8. TRADE RECEIVABLES AND RELATED ACCOUNTS

At 31/12/10	Gross	Provision	Net	At 31/12/09
Trade receivables and related accounts	42,466	366	42,100	32,626
Total	42,466	366	42,100	32,626

The average term of payment of the Gameloft Group's customers is 95 days.

All trade receivables are due in less than one year and the impact of discounting is not significant and not recorded.

The trade receivables item is higher than it was at 31 December 2009 due to the final quarter's revenue increases.

9. FINANCIAL ASSETS

	Gross Value	Provision	Net at 31/12/10	31/12/09
Partners' current accounts	71	-	71	-
TOTAL	71	-	71	-

There are no current accounts for non-consolidated subsidiaries.

OTHER RECEIVABLES AND ACCRUALS

Other receivables are as follows:

	Gross Value	Provision	Net at 31/12/10	31/12/09
VAT	2,195		2,195	2,327
Other tax and social security receivables (1)	6,713		6,713	4,940
Credit notes from suppliers	5		5	306
Receivables from suppliers	172		172	26
Other	216		216	312
Pre-paid expenses	1,019		1,019	613
Called-up share capital (issue premium included)	316		316	
TOTAL	10,637		10,637	8,525

All other receivables are payable within a period of less than one year.

- (1) - Tax receivables = €6,573,000, due mainly to the tax credit related to the operating subsidiaries of Gameloft Canada, Gameloft Divertissements Live (€4,685,000) and Gameloft Argentina (€1,192,000), and corporate income tax receivables for Gameloft Mexico (€226,000) and Gameloft New York (€270,000);
 - Social security claims = €140,000.

CASH AND CASH EQUIVALENTS

The "cash and cash equivalents" item includes bank account balances totalling €27,038,000 at 31 December 2010 compared with €19,804,000 at 31 December 2009.

The change in net cash breaks down as follows:

Cash Detail	31/12/10	31/12/09
Cash on hand	27,038	19,804
Short-term investment securities		
Foreign currency advances		
Bank overdrafts and short-term credit	-1,906	-55
TOTAL	25,133	19,749

At 31 December 2010, this item includes interest-bearing savings accounts at varying interest rates depending on the country, made up of nine contracts signed at an average rate of 2.2% per year on a 24-month investment for a fair value of €9,020,000. The cash assets are available immediately.

SHAREHOLDERS' EQUITY CAPITAL

Capital

At 31 December 2010, Gameloft SA's share capital consisted of 75,082,924 shares, each with a par value of €0.05, for a total of €3,754,146.20.

Gameloft carried out capital increases through the exercise of stock options totalling €14,000 in share capital and €859,000 in issue premiums.

Each share gives a right to ownership of the corporate assets and liquidating dividend in proportion to the percentage of capital it represents.

A voting right double that granted to other shares, based on the percentage of share capital they represent, is attached to all fully-paid up shares which are proven to be registered in the same shareholder's name for at least two years.

This right is also granted at the time of issue, in case of a share capital increase by capitalisation of reserves, earnings or issue premiums, to registered shares allotted free of charge to a shareholder in exchange for old shares for which this right was enjoyed.

Number of Gameloft SA shares

	Par Value €	Number of Shares	Amount in €K
At 31/12/06	0.05	70,756,584	3,538
Exercised options on 25/10/2005	0.05	34,600	2
Exercised options on 21/03/2006	0.05	121,128	6
Exercised options on 31/03/2006	0.05	706,553	35
Exercised options on 15/09/2006	0.05	1,439,492	72
At 31/12/07	0.05	73,058,357	3,653
Exercised options on 21/03/2003	0.05	43,128	2
Exercised options on 03/12/2004	0.05	33,263	2
Exercised options on 15/09/2003	0.05	470,346	23
At 31/12/08	0.05	73,605,094	3,680
Exercised options on 03/12/2004	0.05	1,192,780	60
At 31/12/09	0.05	74,797,874	3,740
Exercised options on 11/04/2008	0.05	144,950	7
US options exercised on 11/04/2008	0.05	94,100	5
Exercised options on 03/01/2007	0.05	38,000	2
US options exercised on 03/01/2007	0.05	8,000	0
At 31/12/10	0.05	75,082,924	3,754

Stock options and bonus shares

As a reminder, the conditions under which stock options and bonus shares may be exercised are as follows:

Date of Board of Directors' Meeting	11/01/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	2,790,300	2,716,200	2,547,900	2,401,800	2,335,500	2,212,500
Number of shares cancelled		74,100	242,400	388,500	454,800	577,800
Number of people concerned of whom are managers	101 5					
Start of exercise period	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008
End of exercise period	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012
Subscription price	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros

Date of Board of Directors' Meeting	11/01/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	612,000	468,000	363,000	333,000	333,000	333,000
Number of shares cancelled		144,000	249,000	279,000	279,000	279,000
Number of people concerned of whom are managers	33 0					
Start of exercise period	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008
End of exercise period	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012
Subscription price	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros

Date of Board of Directors' Meeting	07/06/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	40,200	40,200	40,200	10,200	10,200	10,200
Number of shares cancelled	-	-	-	30,000	30,000	30,000
Number of people concerned of whom are managers	2 0					
Start of exercise period	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010
End of exercise period	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012
Subscription price	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros

Date of Board of Directors' Meeting	03/01/07	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	2,811,000	2,734,800	2,535,000	2,421,700	2,238,000
Number of shares cancelled		76,200	276,000	389,300	535,000
Number of people concerned of whom are managers	127 4				
Start of exercise period	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009
End of exercise period	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013
Subscription price	4.10 euros	4.10 euros	4.10 euros	4.10 euros	4.10 euros

Date of Board of Directors' Meeting	03/01/07	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	710,100	604,800	530,400	511,200	494,200
Number of shares cancelled		105,300	179,700	198,900	207,900
Number of people concerned of whom are managers	38 1				
Start of exercise period	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009
End of exercise period	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013
Subscription price	4.30 euros	4.30 euros	4.30 euros	4.30 euros	4.30 euros

Date of Board of Directors' Meeting	11/04/2008	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	3,110,250	3,015,000	2,850,600	2,595,350
Number of shares cancelled		95,250	259,650	369,950
Number of people concerned of whom are managers	199 4			
Start of exercise period	11/04/2010	11/04/2010	11/04/2010	11/04/2010
End of exercise period	11/04/2014	11/04/2014	11/04/2014	11/04/2014
Subscription price	2.80 euros	2.80 euros	2.80 euros	2.80 euros

Date of Board of Directors' Meeting	11/04/2008	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	534,300	525,300	508,200	398,900
Number of shares cancelled		9,000	26,100	41,300
Number of people concerned of whom are managers	48 1			
Start of exercise period	11/04/2010	11/04/2010	11/04/2010	11/04/2010
End of exercise period	11/04/2014	11/04/2014	11/04/2014	11/04/2014
Subscription price	2.95 euros	2.95 euros	2.95 euros	2.95 euros

Date of Board of Directors' Meeting	14/05/2009	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	2,208,500	2,130,900	2,003,800
Number of shares cancelled		77,600	204,700
Number of people concerned of whom are managers	189 2		
Start of exercise period	14/05/2011	14/05/2011	14/05/2011
End of exercise period	14/05/2015	14/05/2015	14/05/2015
Subscription price	2.36 euros	2.36 euros	2.36 euros

Date of Board of Directors' Meeting	01/06/2010	Balance at 31/12/10
Number of shares eligible for subscription	2,240,000	2,200,200
Number of shares cancelled		39,800
Number of people concerned of whom are managers	189 2	

Start of exercise period	01/06/2012	01/06/2012
End of exercise period	01/06/2014	01/06/2014
Subscription price	3.82 euros	3.82 euros

Allotment of Bonus Shares	21/04/2009	Balance at 31/12/09	Balance at 31/12/10
Date of Board of Directors' meeting	21/04/2009		
Maturity - Vesting period	2 years - 22/04/2011		
End of holding period	2 years - 22/04/2013		
Number of instruments allotted	720,750	720,250	717,250
Number of shares cancelled	-	500	3,500
Number of people concerned	55		
of whom are managers	3		

Allotment of Bonus Shares	01/06/2010	Balance at 31/12/10
Date of Board of Directors' meeting	01/06/2010	
Maturity - Vesting period	2 years - 01/06/2012	
End of holding period	2 years - 01/06/2014	
Number of instruments allotted	733,250	729,750
Number of shares cancelled	-	3,500
Number of people concerned	60	
of whom are managers	3	

The bonus shares allotted, which are subject to performance conditions being met by managers only, are unavailable for four years following the allotment date. Since the shares allotted are ordinary shares and belong to the same category as the old shares that comprise the company's share capital, at the end of the vesting period the shareholder employee receives the dividends and voting rights attached to all his/her shares.

In total, at 31 December 2010, the maximum number of shares that may be created through the exercise of stock options and bonus shares is 12,486,150 and 1,447,000, respectively.

The cancellations recorded during the fiscal year are the result either of terminations of recipients prior to the start of the period in which they could exercise their rights or the expiration of plans under market conditions making it impossible to exercise all the rights.

Gameloft holds no treasury shares.

PROVISIONS FOR CONTINGENCIES AND CHARGES

Non-current liabilities:

	At 31/12/09	Allocations for the Year	Write-Backs for the Year		Change in Reporting Entity	At 31/12/10
			Amount Used during the Year	Amount Not Used during the Year		
Provisions for contingencies and charges						
For other risks	5	30	-5			30
For charges	154		-90		-64	-
Total	159	30	-95		-64	30

There are currently no tax audits at the foreign or French subsidiaries for which a provision is required.

Provisions for contingencies and charges were recorded for lawsuits concerning employees (€15,000) and for a new revenue law pending for our subsidiary, Gameloft Romania (€15,000).

EMPLOYEE BENEFITS

	At 31/12/09	Allocations	Write-Backs	Exchange Differential	Change in Reporting	Reclassifications	At 31/12/10
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	Entity					
Provisions for retirement	141	105	-54	4	36	232
Provisions for termination	-	25			96	121
TOTAL	141	130	-54	4	132	353

The provision for retirement indemnities was increased during the year by €48,000 for Gameloft Italy, €28,000 for Gameloft Korea Ltd. and €14,000 for Gameloft Hong Kong.

Write-backs of pension plan provisions concern Gameloft Italy (€34,000) and Gameloft Korea (€16,000).

In 2010, secondary distributions of the account for provisions for retirement were made in the amount of €32,000 for Gameloft Italy and €4,000 for Gameloft India.

The allocation of the provision for retirement recorded for Gameloft Vietnam is due to the employee salary increase which came into effect before 31 December 2008. Since the institution of unemployment coverage, the provision for retirement is recorded directly as payroll expenses for all employees hired since 1 January 2009.

10. FINANCIAL DEBTS

Non-current financial debts are as follows:

	31/12/10	31/12/09
Loans	-	-
Bank overdrafts	-	-
Loans resulting from restatement of financial leases	-	-
Partners' current accounts	-	-
Financial debts	-	-

Current financial debts are as follows:

	31/12/10	31/12/09
Loans	-	-
Bank overdrafts	1,906	55
Loans resulting from restatement of financial leases	-	-
Partners' current accounts	-	-
Financial debts	1,906	55

	Less than 1 Year	1 Year to 5 Years	More than 5 Years
Amounts still due at 31/12/10	1,906		

Bank overdrafts are used to fund occasional cash flow shortages.

	31/12/10	31/12/09
Financial debts excluding government advances	1,906	55
Cash on hand	-27,038	-19,804
Short-term investment securities	-	-
Net financial surplus	-25,133	-19,749

At 31 December 2010 there was a net financial surplus of €25,133,000 compared to €19,749,000 at 31 December 2009.

All financial debts are based on a fixed rate.

DEFERRED TAX LIABILITIES

	31/12/10	31/12/09
Subsidies to be received	1,923	1,339
Miscellaneous	1	-
TOTAL	1,924	1,339

Our Canadian subsidiaries receive multimedia credits. As these credits are taxable in the year in which they are received but recorded on a fiscal year basis, the company must recognise a future tax liability for this item.

The subsidies will be received in fiscal year 2011.

TRADE PAYABLES AND RELATED ACCOUNTS

	31/12/10	31/12/09
Trade payables	10,992	8,072
Trade payables on assets	4,166	4,523
Total	15,158	12,595

Trade payables are due in less than one year. Given this short period, they are not subject to significant interest rate risk.

11. ADVANCE PAYMENTS RECEIVED

Current advances received are as follows:

	31/12/10	31/12/09
Advance payments received	-	-
TOTAL	-	-

12. OTHER DEBTS

Other non-current debts are as follows:

	31/12/10	31/12/09
Unearned income	-	-
TOTAL	-	-

Other current debts are as follows:

	31/12/10	31/12/09
Customer credit balances	224	297
Other debts	152	304
Unearned income	77	96
TOTAL	453	697

Unearned income is income related to the relocation of Gameloft SA, which is spread out over the lease term (nine years).

13. TAX AND SOCIAL SECURITY LIABILITIES

Tax and social security liabilities are as follows:

	31/12/10	31/12/09
Social security liabilities	5,817	5,342
Tax liabilities	3,474	3,190
TOTAL	9,291	8,532

Social security liabilities mainly concern Gameloft Inc. Divertissement (€1,352,000), Gameloft SA (€887,000), Gameloft Software Beijing (€655,000), Gameloft Vietnam Ltd. (€521,000), Gameloft Argentina (€404,000), Gameloft Srl Romania (€358,000), Gameloft Rich Games Production France (€344,000), Gameloft Partnerships (€282,000), Gameloft Software Shanghai Ltd. (€164,000) and Gameloft Software Cheng Du Ltd. (€155,000).

Tax liabilities pertain mainly to Gameloft Argentina (€952,000), Gameloft SA (€528,000), Gameloft S. de R.L. de C.V. (€311,000), Gameloft Software Beijing (€292,000), Gameloft Rich Games Production France (€151,000), Gameloft Partnerships (€149,000), Gameloft Privated Ltd. (€136,000), Gameloft GmbH (€129,000) and Gameloft Do Brasil Ltd. (€120,000).

Notes to the Income Statement

Profit/loss from ordinary activities includes all ordinary activities carried out by Gameloft as part of its business, as well

as any related activities undertaken by it which are incidental to or in line with its ordinary activities.

14. REVENUE

The breakdown of revenue by geographic region is as follows:

	12-Month Fiscal Year		12-Month Fiscal Year	
	31/12/10		31/12/09	
	€K	%	€K	%
Europe	49,131	35%	47,691	39%
North America	45,250	32%	38,808	32%
Rest of the world	46,577	33%	35,473	29%
Total	140,958	100%	121,972	100%

The breakdown of revenue by activity is as follows:

	12-Month Fiscal Year		12-Month Fiscal Year	
	31/12/10		31/12/09	
	€K	%	€K	%
Mobile	7,298	5%	6,761	6%
Consoles	133,659	95%	115,211	94%
Total revenue	140,958	100%	121,972	100%
Self-constructed assets	10,121		5,380	
Closing inventory	- 443		-1,940	
Total	150,636		125,412	

OTHER BUSINESS-RELATED INCOME

Other operating income is as follows:

	31/12/10	31/12/09
Write-backs of provisions	1,357	1,540
on liabilities	150	92
on assets	1,207	1,448
TOTAL	1,357	1,540

The write-backs of provisions pertain to provisions for contingencies and charges (€95,000), depreciation of capital assets and R&D costs (€1,157,000), advances on licences (€50,000) and a retirement commitment following employee terminations (€54,000).

22. COST OF SALES (excluding change in inventory of finished products)

Cost of sales is as follows:

	31/12/10	31/12/09
Purchases of goods	123	68
Expenses related to cost of sales	5,291	3,542
Costs of royalties	13,497	9,381
TOTAL	18,911	12,990

“Purchases of goods” refer to purchases of discs for the *TV Show King* game for the Nintendo Wii game console as well as various purchases of equipment for resale.

“Expenses related to cost of sales” pertain to all costs related to the sale of games that use the various available download options.

“Costs of royalties” pertain to the sale of licensed games.

23. RESEARCH & DEVELOPMENT COSTS

Research & Development costs are as follows:

	31/12/10	31/12/09
Purchases of studies, services and other supplies		-
Other external charges	14,564	12,170
Employee compensation	47,529	38,783
Operating subsidy	-4,682	-2,898
Social security charges	10,072	8,556
Taxes	606	420
Amortisation expense on capital assets	7,836	7,092
TOTAL	75,925	64,124

Research & Development costs pertain to the expenses related to developing games.

At 31 December 2010, R&D included 4,014 employees. R&D staff increased by 12% over this period.

The “employee compensation” and “social security charges” items increased by 22% during the year and do not include expenses related to stock options. Personnel expenses related to stock options and bonus shares totalled €1,157,000 for the year, compared to €1,305,000 in 2009.

The amount of subsidies received in Canada and Argentina is calculated based on Gameloft Canada’s and Gameloft Argentina’s payroll for R&D department employees.

The amortisation expense increased due to the amortisation of capitalised development costs in the amount of €5,042,000 in 2010 compared with €4,289,000 in 2009.

24. COMMERCIAL EXPENSES

Sales & Marketing costs are as follows:

	31/12/10	31/12/09
Purchases of studies, services and other supplies	-	-
Other external charges	11,105	13,881
Employee compensation	12,141	11,613
Operating subsidy	-319	-381
Social security charges	3,118	2,992
Taxes	587	370
Amortisation expense on capital assets	365	287
TOTAL	26,998	28,763

Commercial expenses are made up of all expenses related to the marketing and sale of the company’s games (marketing, B2B sales teams, B2C, Business Intelligence teams, purchasing advertising space, trade shows, etc.).

At 31 December 2010, the Sales & Marketing department had 512 employees. The number of employees increased by 14% in fiscal year 2010.

Advertising, marketing and trade show expenses for the year totalled €5,214,000 compared to €8,480,000 in 2009. These expenses represent 4% of revenue, a significant decrease based on the company’s strategic policy. These expenses represented 7% of revenue in 2009.

The “employee compensation” and “social security charges” items increased by 5% and do not include expenses related to stock options and bonus shares which totalled €530,000 in 2010 compared to €639,000 in 2009.

Operating subsidies include multimedia credits granted by the Canadian government for certain types of functions, including the Sales & Marketing function, and subsidies received from the Argentine government.

25. ADMINISTRATIVE COSTS

Administrative costs are as follows:

	31/12/10	31/12/09
Purchases of studies, services and other supplies	-	-
Other external charges	4,298	3,740
Employee compensation	5,854	4,995

Operating subsidy	-312	-200
Social security charges	1,290	1,102
Taxes	385	-17
Amortisation expense on capital assets	404	287
TOTAL	11,920	9,908

Administrative costs are made up of expenses related to the company's accounting, legal, information technology and human resources teams.

At 31 December 2010, the Administrative segment had 285 employees which was a 19% increase compared to 2009.

The "employee compensation" and "social security charges" items increased by 22% following the establishment of new studios which entailed, on one hand, the arrival of new administrative employees in order to ensure proper supervision and training, and on the other hand, an increase in the group's operations. Personnel expenses related to stock options and bonus shares totalled €596,000 in 2010, compared to €743,000 in 2009.

Operating subsidies include multimedia credits granted by the Canadian government for certain types of functions, including the Administrative function, and subsidies received from the Argentine government.

Depreciation increased following the purchase of a large amount of computer equipment at all the group's subsidiaries, as well as the renovation of several sites and the increase in administrative staff between the two periods.

Information regarding pensions and similar benefits and share-based payments:

	31/12/10	31/12/09
Pensions and similar benefits	130	74
Share-based payments	2,283	2,686

26. CHANGE IN INVENTORIES OF FINISHED PRODUCTS

	31/12/10	31/12/09
Change in inventories: Asphalt DS	-	31
TOTAL	-	31

PROVISIONS

	31/12/10	31/12/09
Provisions	2,553	2,168
TOTAL	2,553	2,168

Provisions pertain to the recognition of a retirement commitment (€130,000), provisions for trade receivables (€51,000), provisions for contingencies and charges (€31,000), of which €15,000 was for labour-related lawsuits. It also includes stock provisions (€14,000) and asset depreciation (€2,327,000), of which €216,000 is for license depreciation and €2,111,000 is for depreciation of games that have been marketed or are in production. Provisions for asset depreciation are determined based on the profitability of console games, already marketed or still in production.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are as follows:

	31/12/10	31/12/09
Gain/loss on disposal of assets	-186	-83
Other income	314	356
Other expenses	-1,024	-1,489
TOTAL	-896	-1,216

The "gain/loss on disposal" item includes the sale of computer equipment as well as equipment that was disposed.

The "other income" item is primarily made up of the €216,000 repayment of part of the VAT made by the Chinese government and other operating income.

The “other expenses” item is made up of deductions at source (€792,000), of which €70,000 was for bad debts and €81,000 was for non-recoverable VAT.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are as follows:

	31/12/10	31/12/09
Other operating income	56	-
Other operating expenses	278	41
TOTAL	-222	- 41

The “other operating income” and “other operating expenses” items represent penalties on game distribution contracts.

NET FINANCIAL INCOME/EXPENSE

Net financial income/expense breaks down as follows:

	31/12/10	31/12/09
Cost of net financial debt	123	88
<i>Cash and cash equivalents income</i>	209	155
<i>Gain/loss on disposal of cash equivalents</i>	-	-
<i>Interest on financing activities</i>	85	67
<i>Gain/loss on currency hedges on cash and cash equivalents</i>		
Financial income	6,626	2,669
<i>Dividends</i>		
<i>Foreign exchange gains</i>	6,626	2,669
<i>Other financial income</i>		
Financial expense	5,437	2,312
<i>Foreign exchange losses</i>	5,437	2,306
<i>Other financial expenses</i>	-	6
TOTAL	1,312	445

The company has financial debts in euros and Canadian dollars.

The company had no interest rate or foreign currency hedge at 31 December 2010.

“Cash and cash equivalents income” is investment income from the various interest-bearing accounts.

The “interest on financing activities” item includes the financial expenses (€32,000) related to the short-term loan financed by the Bank of Montreal in Canada to fund Gameloft Divertissements Inc.’s occasional cash flow shortages and €26,000 in financial charges for Gameloft Argentina.

INCOME TAX

Income tax consists of the following:

	31/12/10	31/12/09
Current tax	2,102	2,205
Deferred tax	95	-165
Total	2,197	2,040

• Current tax:

Taxes were calculated for all companies reporting a profit based on the tax rates in effect in each country.

The “current tax” item concerns the following subsidiaries: Gameloft Argentina (€912,000), Gameloft Software Beijing Ltd. (€340,000), Gameloft Inc. (€295,000), and Gameloft S de RL (€181,000).

Since 1 January 2009, a tax consolidation agreement between the French companies has offset the tax amounts imposed on the recipient companies on behalf of to the benefit of Gameloft SA.

• Deferred tax:

	31/12/10	31/12/09
Deferred tax assets (see detail 4)	1,753	1,339
Deferred tax liabilities (see detail 16)	1,924	1,339

Tax reconciliation:

	31/12/10	31/12/09
Pre-tax profit/loss	15,763	8,011
Notional tax	5,254	2,670
Effect of tax losses:		
Unused tax losses for the fiscal year	226	833
Unused tax losses for prior fiscal years	-3,638	-1,817
Tax effect at the theoretical rate	-472	10
Permanent differences between corporate income and consolidated income	1,495	973
<i>of which are taxes on stock options</i>	761	-895
<i>of which are inter-company eliminations</i>	-68	820
<i>of which are dividend eliminations</i>	1,118	969
<i>of which are standardisations</i>	-27	-49
<i>of which are fair value increments</i>	-341	
Permanent Difference	-467	-144
Tax/Social gap	-202	-485
Total	2,197	2,040

Segment Information

In accordance with IFRS 8 - Operating Segments, the information presented below for the only operating segment is identical to the one presented to the chief operating decision maker (Chief Executive Officer) in order to make decisions regarding the allocation of resources to a segment of the company and to evaluate its performance.

Since Gameloft has worldwide management, it does not identify different segments in this instance. However, an analysis by geographic sector can be presented as follows:

€K	Revenue	
	31/12/10	31/12/09
Europe*	49,131	47,691
North America	45,250	38,808
Rest of the world	46,577	35,473
Total	140,958	121,972

* the European Union

For the purpose of presenting information by geographic segment, revenue is determined on the basis of the customers' geographic location. Non-current assets are allocated to the segments based on their geographic location.

€K	Non-Current Assets	
	31/12/10	31/12/09
Europe*	16,423	13,951
North America	6,085	3,219
Rest of the world	4,423	4,722
Total	26,931	21,892

* the European Union

Non-current assets include intangible assets, tangible assets, non-current financial assets, deferred tax assets, other noncurrent receivables and assets being sold or discontinued businesses.

Moreover, as detailed below, Gameloft has one client that generates at least 10% of total revenue:

€K	Revenue			
	31/12/10		31/12/09	
	Amount	%	Amount	%
Apple	30,774	21.83%	18,827	15.44%
Total	30,774	21.83%	18,827	15.44%

Additional Information

1. Off-balance sheet commitments

Guarantees given:	none
Collateral provided:	none
Guarantees received:	none
Cash credits:	Gameloft Divertissements Inc. renewed its financial line of credit for CAD 3,000,000 under the same terms and conditions with the Bank of Montreal.

Off-balance sheet commitments:

Off-Balance Sheet Commitments Related to Operating Activities	Characteristics		At 31/12/10
	Nature	Commitment End Date	
	Business leases	31/12/2016	€13,799,000
Commitments related to the implementation of operating agreements	Guarantee on behalf of Divertissement Canada Inc. for a framework leasing agreement entered into by Gameloft Canada and Dell Financial Services Canada Ltd.		CAD 250,000
	Obligation as a guarantor on behalf of Gameloft Argentina SA, a subsidiary in Argentina, for the signing of a lease for the rental of offices in Buenos Aires (Argentina) with Irsa Inversiones Y Representaciones SA.		USD 144,000
Guaranteed commitments, mortgages, etc.	Chattel mortgage to guarantee the payment of rent and adherence to the obligations stipulated in the leases entered into by the lessor and Gameloft Divertissement Inc.	15/08/2014	CAD 322,000

Discounted bills not due: none

Financial leases: none

Other commitments:

The law of 4 May 2004 gives French employees an individual right to training (*droit individuel à la formation* – DIF). This right entitles them, at their request but with the employer's approval, to take part in training courses.

Each year, based on the agreements applicable at the companies, full-time employees acquire a right to 20 to 21 hours of training.

The rights acquired annually may be accumulated over a six-year period.

There are no other significant off-balance sheet commitments.

2. Compensation of the group's senior executives

The total gross compensation paid to senior executives in 2010 by both the company and its subsidiaries was €395,000.

No directors' fees were paid to Gameloft SA's company managers during the fiscal year ended 31 December 2010.

	2010	2009
Salaries, misc. charges and benefits	395	386
Total pensions and other post-employment benefits		
Severance pay		
Total stock options and bonus shares issued	393,750	393,000

Pursuant to Article L. 225-102-1, paragraphs 1 and 2 of the French Commercial Code, details regarding the total compensation and benefits of any kind paid during the fiscal year to the company managers are presented below.

Compensation and benefits of any kind received by the executive directors

The compensation of the executive directors consists of fixed compensation and benefits in kind. The executive directors do not receive variable compensation. They may be granted stock options and performance shares. The total is determined by the Board of Directors on the recommendation of the Compensation Committee. Starting in 2009, stock options and bonus shares granted to the executive directors are subject to performance conditions.

The following tables include the compensation and benefits of any kind due and/or paid to the company managers in connection with their duties by:

- (i.) the company;
- (ii.) the companies controlled, pursuant to Article L. 233-16 of the French Commercial Code, by the company under which the mandate is exercised;
- (iii.) the companies controlled, pursuant to Article L. 233-16 of the French Commercial Code, by the company or companies that control the company under which the mandate is exercised;
- (iv.) the company or companies which control, with respect to the same Article, the company under which the mandate is exercised.

The total gross compensation paid during the fiscal year by the company, controlled companies as defined by IAS 24.16, and by the controlling company where they exercise their mandate, was €1,829,000, of which €154,000 was paid out by Gameloft SA.

Amounts in Euros	Gameloft SA	Gameloft Inc.	Gameloft Ltd.		Guillemot Brothers SA	TOTAL Compensation for 2010
	Gross Fixed Compensation	Gross Fixed Compensation	Gross Fixed Compensation	Benefits in Kind	Gross Fixed Compensation	
Michel Guillemot	60,000	0	174,776	30,369	243,756	508,901
Claude Guillemot	31,248	0	0	0	339,996	371,244
Gérard Guillemot	0	36,556	0	0	362,496	399,052
Yves Guillemot	31,248	0	0	0	24,996	56,244
Christian Guillemot	31,248	0	0	0	462,504	493,752

For 2010, the total gross compensation paid to the executive directors, and for which a provision was set up, was €1,829,193.

Summary tables of compensation paid to each executive director (amounts in euros):

Michel Guillemot	2010		2009	
	Amount Owed	Amount Paid	Amount Owed	Amount Paid
Fixed compensation	478,532	478,532	534,593	534,593
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Directors' fees	-	-	22,500	22,500

Benefits in kind	30,369	30,369	29,144	29,144
TOTAL	508,901	508,901	586,237	586,237

Claude Guillemot	2010		2009	
	Amount Owed	Amount Paid	Amount Owed	Amount Paid
Fixed compensation	371,244	371,244	433,740	433,740
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Directors' fees	-	-	22,500	22,500
Benefits in kind	-	-	-	-
TOTAL	371,244	371,244	456,240	456,240

G�rard Guillemot	2010		2009	
	Amount Owed	Amount Paid	Amount Owed	Amount Paid
Fixed compensation	399,052	399,052	559,808	559,808
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Directors' fees	-	-	15,000	15,000
Benefits in kind	-	-	-	-
TOTAL	399,052	399,052	574,808	574,808

Yves Guillemot	2010		2009	
	Amount Owed	Amount Paid	Amount Owed	Amount Paid
Fixed compensation	56,244	56,244	556,248	556,248
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Directors' fees	-	-	30,000	30,000
Benefits in kind	-	-	-	-
TOTAL	56,244	56,244	586,248	586,248

Christian Guillemot	2010		2009	
	Amount Owed	Amount Paid	Amount Owed	Amount Paid
Fixed compensation	493,752	493,752	556,248	556,248
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Directors' fees	-	-	30,000	30,000
Benefits in kind	-	-	-	-
TOTAL	493,752	493,752	586,248	586,248

Stock option plan

The executive directors receiving the options described below must keep in registered form five percent (5%) of the shares resulting from the exercise of options until termination of their duties.

STOCK OPTIONS GRANTED DURING THE FISCAL YEAR BY GAMELOFT SA					
Name of Executive Director:	Plan Number and Date	Type of Options	Number of Options Granted	Exercise Price	Exercise Period
- Michel Guillemot	Plan 10 of 01/06/2010	Stock options	300,000	�3.82	50% from 01/06/2012 to 01/06/2014 50% from 01/06/2013 to 01/06/2014
- G�rard Guillemot	Plan 10 of 01/06/2010	Stock options	37,500	�3.82	50% from 01/06/2012 to 01/06/2014 50% from 01/06/2013 to 01/06/2014
TOTAL			337,500		

Exercise of the options granted by the Board of Directors to the company managers is subject to an internal performance condition and an external performance condition. In addition, exercise of the options granted by the Board

of Directors to the executive directors is conditional upon the purchase of shares by these same executive directors for a volume equal to 1% of the total net gain, after-tax, realised by each of them.

Bonus shares issued

The executive directors receiving the bonus shares described below must keep in registered form five percent (5%) of the total number of shares granted to each of them, until termination of their duties.

BONUS SHARES GRANTED TO EXECUTIVE DIRECTORS DURING THE FISCAL YEAR					
Name of Executive Director:	Date of Board of Directors' Meeting	Number of Shares	Acquisition Date of the Shares	End of Holding Period - Date of Transferability	Performance Conditions
- Christian Guillemot	01/06/2010	18,750	01/06/2012	01/06/2014	Internal performance conditions and external performance conditions
- Yves Guillemot	01/06/2010	18,750	01/06/2012	01/06/2014	Internal performance conditions and external performance conditions
- Claude Guillemot	01/06/2010	18,750	01/06/2012	01/06/2014	Internal performance conditions and external performance conditions
TOTAL		56,250			

The transfer of bonus shares granted to company managers is subject to an internal performance condition and an external performance condition. Furthermore, given the family structure of the company's shareholders, the Board of Directors has fixed the amount of shares that each company manager can receive, when bonus shares are available, at 1% of net gain after taxes.

Compensation and benefits due to the termination of duties as a company manager

Name of Executive Director:	Employment Contract		Supplemental Retirement Plan		Indemnities or Benefits Owed or Potentially Owed as a Result of Termination or a Change in Duties		Indemnities under a Non-Compete Clause	
	Yes	No	Yes	No	Yes	No	Yes	No
- Michel Guillemot		X		X		X		X
- Christian Guillemot		X		X		X		X
- Yves Guillemot		X		X		X		X
- Claude Guillemot		X		X		X		X
- Gérard Guillemot		X		X		X		X

No commitment has been made in favour of the members of the Board of Directors with regard to compensation, financial consideration or benefits owed or likely to be owed as a result of the termination or change in their duties or subsequent to said duties.

3. Loans extended to the group's senior executives

At 31 December 2010, no advance or credit was extended to the group's senior executives pursuant to Article L. 225-43 of the French Commercial Code.

4. Events subsequent to year end

No event is likely to have an impact on the financial statements.

5. Personnel

The workforce at 31 December 2010 breaks down as follows:

a) Breakdown by geographic region:

	31/12/06	31/12/07	31/12/08	31/12/09	31/12/10
Europe	139	797	544	449	694
North America	335	324	375	394	483
Rest of the world	2,161	2,902	3,083	3,422	3,634
Total	2,635	4,023	4,002	4,265	4,811

b) Breakdown by department:

	31/12/06	31/12/07	31/12/08	31/12/09	31/12/10
Administration	138	185	226	239	285
Sales & Marketing	192	425	438	447	512
Research & Development	2,305	3,413	3,338	3,579	4,014
Total	2,635	4,023	4,002	4,265	4,811

In 2010, the workforce showed strong growth.

Average number of employees

	2010	2009
Research & Development	3,822	3,476
Sales & Marketing	479	447
Administration	257	229
Total	4,558	4,153

6. IFRS 7 – Financial instruments

IFRS 7 sets out the rules for presenting financial information related to financial instruments, as defined by IAS 32 “Financial Instruments: Presentation” and IAS 39 “Financial Instruments: Recognition and Measurement”. The amendment to IAS 1 calls for the presentation of qualitative information about the objectives, principles and processes of operations impacting share capital and the presentation of quantitative information about the elements comprising share capital.

The following table shows the net book value by category and the fair value of the group's financial instruments (according to the definitions provided by IAS 32) at 31/12/10 and 31/12/09:

		Category Fair Value	December 2010		December 2009	
in €K	Category IAS 39		Book Value	Fair Value	Book Value	Fair Value
ASSETS						
Non-current financial assets (excluding securities)	Loans and receivables at amortised cost	Level 3	2,300		1,890	
Non-current financial assets (securities)	Assets available for sale at fair value through equity capital		38		58	
Other non-current receivables	Loans and receivables at amortised cost		2,313		1,424	
Advance payments made	Loans and receivables at amortised cost		119		149	
Trade receivables and related accounts	Loans and receivables at amortised cost		42,100		32,626	
Financial assets	Loans and receivables at amortised cost		71		0	
Other receivables and accruals	Loans and receivables at amortised cost		10.637		8.525	

Cash and cash equivalents	Financial assets at fair value through profit or loss	Level 1	27,018	27,038	19,804	
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		Category Fair Value	December 2010		December 2009	
in €K	Category IAS 39		Book Value	Fair Value	Book Value	Fair Value
LIABILITIES						
Non-current financial debts	Financial liabilities at amortised cost		0		0	
Financial debts	Financial liabilities at amortised cost		1,906		55	
Trade payables	Financial liabilities at amortised cost		15,158		12,595	
Tax and social security liabilities	Financial liabilities at amortised cost		9,290		8,532	
Other debts	Financial liabilities at amortised cost		453		697	

In accordance with the amendment to IFRS 7 – “Financial Instruments: Disclosures”, the following table shows the distribution among the three hierarchy levels for the financial assets and liabilities measured at fair value:

- level 1: for financial assets listed on an active market, fair value corresponds to the listed price;
- level 2: for financial assets not listed on an active market and for which observable market data exists which the group can use to measure their fair value;
- level 3: for financial assets not listed on an active market and for which no observable market data exists to measure their fair value.

As a reminder, the other financial instruments valued at amortised cost are not included in the following table:

Item	31/12/2010			
	Level 1	Level 2	Level 3	Total
Non-current financial assets (securities)			38	38
Cash and cash equivalents	27,038			27,038
Total assets at fair value	27,038	0	38	27,076
				0
Total liabilities at fair value	0	0	0	0

Item	31/12/2009			
	Level 1	Level 2	Level 3	Total
Non-current financial assets (securities)			58	58
Cash and cash equivalents	19,804			19,804
Total assets at fair value	19,804	0	58	19,862
				0
Total liabilities at fair value	0	0	0	0

- Securities-related risk management

Risk related to the company's shares

Based on its share buyback policy and pursuant to the authorisations granted by the General Meeting, the company may have occasion to purchase its own shares. The fluctuation in the share price of the treasury shares thus purchased has no impact on the group's earnings.

Risk related to other shares

Equity capital holdings in listed companies may have a negative impact on the group's earning in case of a significant and/or prolonged decrease in the share price.

At 31 December 2010, equity capital holdings did not include any shares in companies listed on the stock market.

- Liquidity risk management

The group has no significant risk on financial debts and its short-term investment securities (available for sale or cash equivalents). The group's short-term investment security portfolio consists mainly of short-term money market investments with guaranteed rates and capital. Cash and cash equivalents allow the group to meet its commitments without any risk of liquidity.

- Interest rate risk management

The group does not rely on credit institutions to finance itself. However, it uses short- and medium-term financing that charges interest on the Euribor base interest rate and places its available cash and cash equivalents in investment products bearing interest based on short-term variable rates. In this context, the group is subject to changes in variable rates and regularly assesses the risk.

- Foreign exchange risk management

The group owns assets, collects revenue and incurs expenses and commitments directly and through subsidiaries in a large number of foreign currencies; however, accounts are presented in euros. Consequently, when financial statements are prepared, values of assets, liabilities, revenue and expenses must be converted from other currencies to euros, according to the exchange rates applicable on that date. Therefore, increases and decreases in the value of the euro in relation to these other currencies will affect the value of these elements in financial statements, even if their value has not changed in their original currency.

Nevertheless, Gameloft uses a natural foreign currency hedging system to the extent that its intra-group relations, current account advances to subsidiaries, re-invoicing of subsidiaries' expenses to the parent company and royalties to subsidiaries are done in foreign currencies (US dollars, Canadian dollars, pounds sterling, etc.) and that income in foreign currencies compensates for the company's expenses in foreign exchanges.

To date, the group has not implemented foreign currency hedging for its internal cash flows.

Variation in the exchange rates of principal currencies:

	31/12/10		31/12/09	
	Average Rate	Closing Rate	Average Rate	Closing Rate
US dollar	1.32680	1.33620	1.39327	1.44060
Canadian dollar	1.36650	1.33220	1.58519	1.51280
Pound sterling	0.85824	0.86075	0.89105	0.88810
Japanese yen	116.45511	108.65000	130.23437	133.16000
Argentine peso	5.18981	5.29300	5.20200	5.46950
Mexican peso	16.75316	16.54750	18.78411	18.92230
Brazilian real	2.33444	2.21770	2.77057	2.51130
Korean won	1,532.51369	1,499.06	1,772.80125	1,666.97
Australian dollar	1.44418	1.3136	1.77487	1.60080

Impact on sales figures of the variation in exchange rates during the year:

En €K	31/12/10	31/12/09
US dollar	1,248	-914
Canadian dollar	314	17
Pound sterling	114	29
Japanese yen	379	-176
Argentine peso	1	-377
Mexican peso	606	-514
Brazilian real	552	
Korean won	198	
Australian dollar	157	

The breakdown of financial debts by currency is as follows:

	31/12/10	31/12/09
Euros	97	52
Canadian dollars	1,809	3
Financial debts	1,906	55

Financial debt sensitivity:

	Amount	Type of Interest Rate	Interest Rate	Face Value	Int./Year	Var. of + 1%	Difference in €K
Bank loan, France	97	Variable	17.20%	-	1	1	0
Bank loan, Canada	1,809	Fixed	3.75%	1,809	68	86	18
Cash on hand	27,038	Variable	-	27,038	-	-	-
Investments	-	-	-	-	-	-	-
Total				-	69	87	18

Credit risk:

Credit risk represents the group's risk of financial loss in the event that a client fails to make its payment. At 31 December 2010, the amount of past due trade receivables not yet amortised was not significant.

31/12/10					Amount of past Due Assets Not Amortised			
	Note	Book Value	Provisions	Net Book Value	Amount of Assets Not Yet Due	0-6 Months	6 Months to 1 Year	More than One Year
Non-current and current operating financial assets								
Trade receivables	8	42,466	366	42,100		42,100		
Other current trade receivables	10	10,637	-	10,637		10,637		
Other financial assets in loans and receivables	9	71		71		71		
LOANS AND RECEIVABLES								
Other non-current financial assets								
Other current financial assets								
		53,174	366	52,808		52,808		

7. Information regarding related parties

In accordance with IAS 24, transactions carried out with companies owned and controlled by common senior executives, and transactions carried out with subsidiaries not included in the group's consolidated financial statements are considered transactions with related parties.

Transactions carried out with companies owned by common senior executives:

a) With Ubisoft Group:

Operating expenses:

- re-invoicing of services provided by Ubisoft on behalf of Gameloft SA (€199,000);
- royalties under a licence agreement with Ubisoft Entertainment by which Gameloft SA is authorised to use their brand (€1,935,000).

Operating income:

- re-billing of services provided by Gameloft SA on behalf of Ubisoft Entertainment (-€56,000);
- marketing by Ubisoft Entertainment and Ubisoft Inc. under a distribution agreement for console games produced by Gameloft SA (€263,000).

b) With AMA:

Operating expenses:

- re-invoicing of royalties for marketing games produced by AMA (€206,000).

c) With Longtail Studios:

The transactions concern royalties on sales completed by Gameloft SA for distribution of the *Love Triangle* mobile game (€11,000).

d) With the Guillemot Brothers Group:

These transactions are related to the re-invoicing of services provided on behalf of Gameloft SA (€21,000).

	31/12/10	31/12/09
Assets (in €K)		
Equity capital holdings		
Trade receivables and related accounts	205	62
Other receivables		
Prov. on other receivables		
Receivables from suppliers		34
Debts (in €K)		
Trade payables and related accounts	852	809
Financial debts		
Customer credit balances		62
Operating profit/loss (in €K)	-2,246	-252
Operating income	207	1,759
Operating expenses	2,453	2,011
Financial profit/loss (in €K)		
Financial income		
Financial expense		-

Transactions carried out with subsidiaries not included in Gameloft's consolidated financial statements:

The Gameloft Dubai subsidiary has not actually begun operations and thus is not within the consolidation scope of 31 December 2010.

	31/12/10	31/12/09
Assets (in €K)		
Equity capital holdings	38	64
Prov. on equity capital holdings		6
Assets being sold		-
Trade receivables and related accounts		
Prov. on trade receivables		
Other receivables		
Prov. on other receivables		
Receivables from suppliers		34
Debts (in €K)		
Trade payables and related accounts		
Financial debts		
Operating profit/loss (in €K)		
Operating income		
Operating expenses		
Financial profit/loss (in €K)		
Financial income		
Financial expense		

8. Market risk

Interest rate risk: Since Gameloft SA's debts are at a fixed rate, except for occasional cash flow needs, its income is not impacted by rate variations.

Foreign exchange risk: Gameloft has not implemented a foreign currency hedging system.

9. Individual right to training

At 31 December 2010, hours totalled 6,510.

10. Auditors' fees

The table below lists the fees of Gameloft's Auditors for services provided in 2010.

	Audit AMLD				MB Audit			
	Amount		%		Amount		%	
	2010	2009	2010	2009	2010	2009	2010	2009
Audit €K								
Audit and certification of year-end and consolidated financial statements								
• Issuer	122.2	120	96%	94.5%	93.9	80	86.7%	86.2%
• Fully consolidated subsidiaries	5.1	7	4%	5.5%	14.4	12.8	13.3%	13.8%
Other work and services directly related to the Auditors' duties								
• Issuer	-	-	-	-	-	-	-	-
• Fully consolidated subsidiaries	-	-	-	-	-	-	-	-
Subtotal	127.3	127	100%	100%	108.3	92.8	100%	100%
Other services provided by the networks to fully consolidated subsidiaries								
Legal, fiscal, social	-	-	-	-	-	-	-	-
Others (specify if > 10% higher than audit fees)	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
TOTAL	127.3	127	100%	100%	108.3	92.8	100%	100%

11. Table of non-consolidated subsidiaries

	COUNTRY	Currency	Capital	Reserves and Retained Earnings before Allocation of Profit	Share of Capital Held	Book Value of Shares Held (in thousands of euros)		Loans and Advances Approved by the Company and Not Yet Repaid	Amount of Guarantees and Securities Given by the Company	Pre-Tax Sales Figure of the Previous Fiscal Year	Earnings of the Fiscal Year Just Ended	Dividends Collected
Detailed information regarding the subsidiaries and equity capital holdings of non-consolidated companies												
SUBSIDIARIES CAPITAL HELD AT LEAST 50%			in foreign currency, thousands	in thousands of euros		gross	net	in thousands of euros		in thousands of euros	in thousands of euros	
GAMELOFT DUBAI	Dubai	€	38	-	100.00 %	38	38	-	-	-	-	-
EQUITY CAPITAL HOLDINGS CAPITAL HELD BETWEEN 10 AND 50%												
GRAND TOTAL						38	38	-	-			

Auditors' Report on the Consolidated Financial Statements

Dear Shareholders,

In performing the duties entrusted to us by your General Meeting, we present to you our report for the fiscal year ended 31 December 2010 regarding:

- the audit of the consolidated financial statements of Gameloft SA, as attached to this report;
- the basis for our assessments;
- the specific verification required by law.

The consolidated financial statements were approved by the Board of Directors. It is our task, on the basis of our audit, to express an opinion on these financial statements.

I - Opinion on the consolidated financial statements

We have conducted our audit in accordance with the standards of professional practice applicable in France. These standards require the use of due diligence to provide reasonable assurance that the consolidated financial statements do not contain any significant misstatements. An audit consists of verifying, through audit testing or other selection methods, the elements justifying the amounts and information contained in the consolidated financial statements. It also entails assessing the accounting principles applied, the significant estimates used and the overall presentation of the financial statements. We deem that the information we have collected is sufficient and appropriate to form our opinion.

We certify that the consolidated financial statements for the fiscal year are, from the standpoint of IFRS standards as adopted in the European Union, consistent and truthful and faithfully present the assets, financial situation and profits of the group comprised of the persons and entities included in the consolidation scope.

Without calling into question the opinion expressed above, we draw your attention to Note 5.5.4 of the appendix which states that deferred tax assets in the amount of €10,291,000 on Gameloft SA's fiscal deficit do not appear in the financial statements for the fiscal year.

II - Basis for the assessments

Pursuant to Article L 823-9 of the French Commercial Code in regard to the basis for our assessments, we wish to bring the following points to your attention:

- As part of our assessment of the accounting rules and principles applied by your company, we verified the relevance of the changes in presentation made during the fiscal year, as described in Note 5.3 of the appendix.
- We have reviewed the valuations of the intangible assets, including in particular the rules for capitalising development costs and licences, as described in Note 5.3.2.2 of the appendix.
- Intangible assets, more specifically licences and games marketed or in production, are subject to value tests, according to the rules described in notes 5.3.2.2 and 5.5 of the appendix. We have reviewed the appropriateness of the methodology applied by the company.
- The reasons that led your Board of Directors to not recognise deferred tax assets in the amount of €10,291,000 on your company's fiscal deficit, given the ongoing operational risks and important investments in social games, are described in note 5.5.4 of the appendix.

Our assessments were made within the context of our audit of the consolidated financial statements as a whole, and have thus contributed to our opinion expressed in the first part of this report.

III - Specific verification

In accordance with the standards of professional practice applicable in France, we have also conducted the specific verification required by law of the information provided in the report on the group's management. We have no comments regarding the truthfulness and consistency of the information with the consolidated financial statements.

Rennes, 28 April 2011

The Auditors

AMLD AUDIT

Jean-Marc Bresson

MB AUDIT

Marc Dariel

Correlation table of appendix notes:

Auditors' Report

Note 5.3

Note 5.3.2.2

Note 5.5.1

Note 5.5.4

Reference Document

Paragraph 3.1.5.3.

Paragraph 3.1.5.3.2.2

Paragraph 3.1.5.5.1

Paragraph 3.1.5.5.4

Individual Financial Statements at 31 December 2010

Balance Sheet at 31 December 2010 (€K) (12-Month Fiscal Year)

ASSETS		31/12/10	31/12/10	31/12/10	31/12/09
	Notes	Gross €K	Amort./Dep. €K	12-Month Fiscal Year Net €K	12-Month Fiscal Year Net €K
Intangible assets	1	47,028	32,786	14,242	11,942
Tangible assets	2	4,748	3,790	958	872
Financial assets	3	9,324	190	9,134	8,461
Long-term assets		61,100	36,766	24,334	21,275
Inventory of finished products	4	14	14	-	457
Advance payments made	5				-
Accounts receivable and related accounts	6	82,427	2,686	79,741	57,370
Other receivables	7	12,824	3,156	9,668	7,473
Short-term investment securities	10	-		-	-
Cash assets	11	15,758		15,758	12,625
Current assets		111,023	5,856	105,167	77,925
Accruals	12	1,440		1,440	1,248
Total Assets		173,562	42,622	130,941	100,448

LIABILITIES		31/12/10	31/12/09
	Notes	12-Month Fiscal Year €K	12-Month Fiscal Year €K
Share capital		3,754	3,740
Issue and merger premiums		67,452	66,593
Reserves		-18,572	-23,224
Fiscal year profit/loss		9,815	4,653
Shareholders' equity capital	13	62,449	51,761
Provisions for contingencies and expenses	16	1,165	1,062
Misc. financial debts (1)	17	6,116	6,139
Receivables from suppliers and related accounts	18	48,687	33,700
Tax and social security liabilities	19	1,415	1,513
Debts on assets	20	4,381	4,506
Other debts	21	3,934	601
Total debts		64,534	46,459
Accruals	22	2,793	1,166
Total Debts		130,941	100,448
(1) Debts of group current accounts		6,024	6,088

Income Statement at 31 December 2010 (€K)

	Notes	12-Month Fiscal Year Ended 31/12/10	12-Month Fiscal Year Ended 31/12/09
Sales of merchandise	23	298	1,827
Output sold during the fiscal year	23	110,823	94,425
Stored output	23	-443	-1,940
Self-constructed assets during the fiscal year	23	10,045	5,274
Other operating income and transfers of expenses	24	1,258	1,107
Total operating income		121,981	100,693
Purchases and other supplies	25	78,303	64,252
Change in inventory	26	-	31
Other purchases and external expenses	27	17,012	14,784
Taxes		954	777
Personnel expenses	28	5,518	5,618
Other expenses		718	720
Depreciation and provisions	29	12,531	10,504
Total operating expense		115,036	96,686
Operating profit/loss		6,945	4,007
Income from other securities and receivables from long-term assets (1)		3,354	2,908
Other interest and similar income (1)		284	203
Write-backs on provisions		1,140	2,512
Foreign exchange gains		2,920	976
Net income on sales of short-term investment securities		=	=
Total financial income		7,698	6,599
Provisions		1,231	2,809
Other interest and similar expenses (2)		930	194
Foreign exchange losses		2,400	2,913
Net expenses on sales of short-term investment securities		=	=
Total financial expense		4,561	5,916
Financial income/expense	30	3,137	683
Income/expense before tax and extraordinary items		10,083	4,690
Extraordinary profit/loss	31	-258	-49
Profit/loss before tax		9,825	4,641
Income tax	32	- 10	11
Net fiscal year profit/loss		9,815	4 653
(1) Income concerning affiliates:		3,521	3,111
(2) Expenses concerning affiliates:		921	172

3.2.1 Cash Flow Statement at 31 December 2010 (€K)

	Notes	31/12/10 12-Month Fiscal Year	31/12/09 12-Month Fiscal Year
Cash flow from operating activities			
Net income		9,815	4,653
Depreciation of tangible and intangible assets	29	10,830	9,123
Change in provisions	24-29	1,294	-954
Capital gains/losses	31	37	8
Cash from operations		21,975	12,829
Change in inventory		457	1,971
Change in trade receivables		-23,104	-460
Change in operating liabilities		19,785	951
Change in non-trade receivables		-	-
Change in non-operating liabilities		-	- 4
Change in operating working capital		- 2,861	2,458
Total operating cash flow		19,114	15,287
Cash flow related to investments			
Purchases of intangible assets	1	-10,129	-5,294

Acquisitions of advances on intangible assets	1	-5,071	-5,521
Purchases of tangible assets	2	-886	-702
Purchases of equity capital holdings	3	-731	-479
Purchases of other financial assets	3	-18	-49
Sales of assets		-	47
Repayments of loans and other intangible and financial assets	1-3	1,505	844
Total cash flow related to investments		-15,330	-11,153
Cash flow from financing activities			
New long- and medium-term loans			
Repayments of loans			
Share capital increase	13	14	60
Issue premium increase	13	859	2,803
Change in shareholders' current accounts	7	- 1,655	371
Other cash flow			
Total cash flow from financing activities		- 781	3,234
Impact of translation gains/losses		90	102
Change in cash and cash equivalents	11 - 17	3,093	7,471
Net cash and cash equivalents at start of fiscal year		12,574	5,103
Net cash and cash equivalents at end of fiscal year		15,666	12,574

Financial Table (Article 135 of the Decree of 23 March 1967) (€K)

Fiscal Year	31/12/06	31/12/07	31/12/08	31/12/09	31/12/10
	12 Months	12 Months	12 Months	12 Months	12 Months
Share capital (€)	3,537,829	3,652,918	3,680,255	3,739,894	3,754,146
Number of ordinary shares	70,756,584	73,058,357	73,605,094	74,797,874	75,082,924
Number of preferred dividend shares	-	-	-	-	-
Maximum number of shares that may be created	7,414,609	8,311,036	7,011,987	11,821,550	13,933,150
By exercised stock options	5,198,506	7,323,778	6,358,987	11,101,300	12,486,150
By issue of bonus shares				720,250	1,447,000
By BSPCE subscription	2,216,103	987,258	653,000	0	0
Sales figures	47,901	74,236	84,911	96,252	111,121
Profit/loss before tax, profit-sharing and depreciations	8,080	2,178	7,876	15,301	22,200
Income tax	-	-	-	-11	10
Profit-sharing	-	-	-	-	0
Profit/loss after tax, profit-sharing and depreciations	23,395	-2,538	-5,067	4,653	9,815
Dividend payout	-	-	-	-	0

Profit/loss after tax and before depreciation, per share (€)	0.33	0.03	0.11	0.20	0.30
Profit/loss after tax and depreciation, per share (€)	0.11	-0.03	-0.07	0.06	0.13
Dividend allocated to each share	-	-	-	-	-
Average number of employees	36	40	35	30	30
Total payroll	3,828	3,929	4,007	3,898	3,760
Social security taxes and benefits	1,615	1,752	1,821	1,719	1,758

Proposed Allocation of Profit

The Board of Directors proposes to allocate the net profit of €9,814,599.30 to losses carried forward.

Notes to Individual Financial Statements

The following notes and tables, presented in thousands of euros, are an integral part of the year-end financial statements for the year ended 31 December 2010 and constitute the appendix to the balance sheet before distribution of earnings, the total of which is €130.9 million, showing a profit of €9.8 million. The fiscal year is 12 months long and covers the period from 1 January 2010 to 31 December 2010.

Highlights of the Fiscal Year

- Creation and capital increase of subsidiaries:

Two new companies, PT Gameloft Indonesia in Indonesia and Gameloft Software Shenzhen Co. Ltd. in China, were created.

The Gameloft Iberica subsidiary saw an increase in its share capital during the year in order to comply with local regulations.

- Change in scope:

The consolidation scope used for fiscal year 2010 differs from that of 2009 with the addition of two subsidiaries and the establishment of two new companies. Gameloft Spri and Gameloft Venezuela were added to the consolidation scope on 1 January 2010, and PT Gameloft Indonesia and Gameloft Software Shenzhen Co. Ltd. will be added on the date of their establishment.

- Share capital increase:

Gameloft saw an increase of share capital through the exercise of stock options in the amount of €873,000, issue premiums included. The share capital is currently €3,754,000.

Comparability of Accounts and Change in Estimate

No reclassification was made on the individual financial statements of 31 December 2010.

Accounting Principles

General accounting rules were applied while respecting the conservatism principle in accordance with the basic rules below:

- continuity of operation
- consistency of accounting methods from one fiscal year to the next
- faithful representation, consistency, and truthfulness

- time period concept

and in accordance with the general rules regarding the preparation and presentation of year-end financial statements.

The basic method used to determine the value of booked items is the historical cost method.

The accounting methods used conform to industry practices, and no future change in method is planned at this time.

Gameloft's year-end financial statements comply with the provisions related to individual financial statements of Regulation 99-03 approved by the order of 22 June 1999; Regulation 2000-06 regarding liabilities, adopted by the French Accounting Regulations Committee (CRC); Regulation R 2002-10 regarding assets, applicable since 1 January 2003; and Regulation CRC 2004-06 regarding the definition, recognition and valuation of assets.

Gameloft applies the benchmark treatment of recognising as assets the development costs of its games on consoles and new platforms such as the Nintendo DS, DSi, and 3DS, WiiWare, Apple iPod and iPad, the PS3 and PSP on Sony's PlayStation Network, Facebook, etc.

Accounting Rules and Methods

Intangible Assets

- Brands
 - Brands acquired by the company are valued at the end of each year based on their contribution to commercial activity. This contribution is measured using criteria such as presence among the top-selling brands in the market and revenue likely to be generated in the future.
 - At year-end, if their valuation is less than their book value, a provision for impairment is recorded.
 - Expenses related to brands created in-house are recognised as expenses, as are expenses incurred to renew their protection.
- Development costs:

Gameloft draws a distinction between two types of activity in order to recognise its development costs:

- New platforms:

Under French standards, the conditions for capitalising commercial software are as follows:

According to the General Chart of Accounts (PCG Art. 311-3.2), all the following criteria must be met:

- 1) technical feasibility needed to complete the intangible asset for its use or sale;
- 2) the intention to complete the intangible asset and to use or sell it;
- 3) the ability to use or sell the intangible asset;
- 4) the asset's ability to generate probable future economic benefits;
- 5) the availability of the appropriate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- 6) the ability to reliably measure the costs attributable to the intangible asset during its development.

These costs are measured based on direct salary costs plus social security charges and operating costs.

Development costs are first recognised as intangible assets in progress over the course of development. They are then transferred to the "other intangible assets" account when the game is marketed.

These costs are amortised over 18 months on a straight-line basis once the product is released on the market. Technical feasibility is determined on a product-by-product basis. At the end of the fiscal year, and for each software product, a value test is performed and the amount not yet amortised is compared to future sales forecasts. If these sales forecasts are insufficient, additional depreciation is applied accordingly.

The company does not conduct basic research.

- Mobile phones:

For mobile phone games, Gameloft currently records development costs as expenses at the time they are incurred. Each year, the company develops and places on various operators' sites thousands of versions of its games covering the 600 different models of mobile telephones on the market and the 12 languages it supports. Given this extreme fragmentation and the more general nature of the sales-related information received from operators, Gameloft is not in a position to reliably calculate the development costs of mobile phone games and the residual value of each of these versions. Since the development costs of mobile phone games cannot be itemised, these costs are recognised as expenses, unlike those for new platforms.

- Licences

Licences cover distribution and reproduction rights acquired from third-party publishers. The signing of licence agreements results in the payment of guaranteed amounts. These amounts are recognised in an advances on licences account. All commitments (guaranteed amounts stipulated in the contract) are recognised in the accounts.

These advances are reduced based on the amount of royalties paid in connection with sales or are amortised on a straight-line basis for flat fees (fixed amount).

At the end of the fiscal year, the net book value is compared to the future sales forecasts to which the terms of the contract are applied. If these sales forecasts are insufficient, additional depreciation is then applied accordingly.

- Office software

- Office software is amortised over 12 months on a straight-line basis.

Tangible Assets

These are booked at their historical cost.

Long-term assets must be identifiable, provide future economic benefits which the company controls and be used over a period of time. Assets are shown on the balance sheet at their acquisition cost less cash discounts and any investment subsidies granted. Given the types of assets owned, no component separate from the principal assets has been identified. The company regards the practical life of the assets as their useful life.

The following depreciation rates are applied:

- Fixtures and facilities: 5 years (straight-line method)
- Transportation equipment: 5 years (straight-line method)
- Computer and telephone equipment: 2 and 3 years (straight-line method)
- Furniture: 10 years (straight-line method)

The residual values and useful lives of the assets are reviewed and, where applicable, adjusted annually or when operating conditions are subject to long-term changes.

Financial Assets

Equity capital holdings are recorded at their historical cost, exclusive of incidental expenses.

The value of the equity capital holding is assessed at the end of each fiscal year based on the share of the subsidiary's net position as of that date and its medium-term growth prospects. If the inventory value is less than the gross value, a provision for impairment is set up to cover the difference.

Inventory

Inventory is valued based on the cost price determined under normal business conditions. It is valued using the FIFO method.

The gross value of finished products includes the purchase price and incidental expenses. Financial costs are excluded from inventory valuation in all cases.

A provision for impairment is set up when the probable net realisable value is less than the book value.

The inventory has not been put up as collateral.

Trade Receivables and Related Accounts

These are measured at their face value. Where applicable, receivables are depreciated through a provision for impairment based on the likelihood of their collection at the balance sheet date.

Transactions in Foreign Currencies

Income and expenses in foreign currencies are recognised on the basis of monthly exchange rates.

Receivables, debts and cash assets in foreign currencies are converted to euros at the rate in effect on 31 December 2010. Unrealised gains and losses on long-term receivables and debts are reported on the balance sheet as translation gains and losses. A provision for foreign exchange losses is set up for unrealised unhedged losses.

Translation gains and losses on cash assets and current accounts in foreign currencies are recognised immediately as foreign exchange income/expense.

Other Receivables

These are primarily current account advances made to the group's subsidiaries. A provision is set up for these advances if the subsidiary's revalued net position, reduced to the percentage owned, becomes negative. The provision would then be equal to the negative amount obtained.

Short-Term Investment Securities

Shares of listed companies are valued at the average market price of the last closing month. A provision is set up for unrealised capital losses (General Chart of Accounts Article 332.6).

Securities in short-term investment funds are valued at their purchase price or market value, whichever is lower.

Cash on Hand

Cash on hand consists of bank account balances and term deposits that can be released at any time.

Provisions for Contingencies and Charges

A provision is recorded when:

- the company has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources representing economic benefits will be needed to settle the

- obligation;
- the amount of the obligation can be measured reliably.

If these conditions are not met, no provision is recorded.

At 31 December 2010, provisions for contingencies and charges concern:

- foreign exchange risk related to the discounting of receivables and debts denominated in foreign currencies;
- provisions for subsidiaries that show a net loss;
- provisions for retirement benefits.

An actuarial calculation called a “projected unit credit method” has been used to measure the employer’s future obligations. This method entails determining the value of each employee’s probable and discounted future benefits at the time of his/her retirement.

The assumptions made as of 31 December 2010 are as follows:

	France
Rate of growth in salaries	1 to 3%
Discount rate	3.00%
Retirement initiated by the employee	65 years

In addition, changes in the workforce, the estimate of which is based on the prospective life table established by the INSEE and a turnover rate resulting from statistical observation are considered.

Gameloft has not set up special employee benefits.

Extraordinary Profit/Loss

Extraordinary income and expenses include extraordinary items and items which, by their nature, are considered extraordinary by accounting law (sale of assets, loss or gain on sales of treasury shares, etc.).

Notes on the Balance Sheet

Intangible assets

Intangible assets are as follows:

Assets

	At 31/12/09 Gross	Book Transfer	Increases	Decreases	At 31/12/10 Gross
Software	167		84		251
Brands	1,829				1,829
Development costs	11,391	2,218	4,467	- 44	18,032
Development costs in progress	2,709	- 2,218	5,577	- 1,455	4,613
Advances on licences	17,994		4,946	- 638	22,302
TOTAL	34,090	-	15,074	- 2,137	47,028

Development costs are defined as the costs required to develop games that have been completed or are already marketed on new platforms such as the Nintendo DSi, 3DS, WiiWare, the Apple iPad, I-TV, the Free set-top box, Samsung TV, as well as social networks such as Facebook, and more.

The increase in development costs for completed or marketed games on new platforms such as the Nintendo 3DS, Apple iPad, PlayStation Network, Freebox V6 and Facebook is €4,467,000.

Development costs in progress are defined as the costs to develop games that have not yet been completed at the time of the year-end closing. This year, their costs amount to €5,577,000.

The company performs tests on the feasibility and marketing of projects. In 2010, Gameloft conducted a review of its current projects. Based on these results, the company decided to record as expenses previously capitalised costs in the amount of €1,499,000.

Advances on licences pertain to contracts signed with various automobile manufacturers, golf courses, top-ranked athletes like golfers Anthony Kim, Vijay Singh, and Camillo Villegas, footballers Steven Gerrard and Robinho, legendary wrestler Hulk Hogan, FIFPro (International Federation of Professional Footballers), the NBA, the NFL, and so on.

In 2010, new licence agreements were signed mainly with Universal for the *Jurassic Park* film, Capcom for several games such as *Resident Evil* and *Street Fighter*, Warner Bros. for the release of the final instalment of *Harry Potter and the Deathly Hallows*, Fox for the adaptation of the *Avatar* game on various platforms, Les éditions Albert René for the release of the *Astérix* game, and Marvel for *Iron Man 2*. Gameloft also signed agreements for licences related to board games, TV series and game shows such as *Blokus*, *UNO*, *Sonic* by Sega, *Deal or No Deal*, *Heroes*, *CSI*, etc.

The decrease in advances on licences in the amount of €638,000 pertains to licences to which Gameloft is no longer contractually entitled as of 31 December 2010.

Amortisation and provisions

Amortisation	At 31/12/09 Cumulative	Increases	Decreases	Exchange Differential	At 31/12/10 Cumulative
Software	126	60			186
Development costs	7,657	5,042			12,700
Advances paid/licences	10,881	4,928	-601	90	15,298
Sub-Total	18,664	10,030	-601	90	28,184
Provisions					
Brands	1,829				1,829
Development costs	1,087	2,111	-1,157		2,041
Advances paid/licences	567	216	-50		733
Sub-Total	3,483	2,327	-1,207		4,602
TOTAL	22,148	12,357	-1,808	90	32,786

The increase in amortisation for advances on licences resulted from the rise of sales, which led to an increase of royalties prorated based on the sales of various licensed products or amortised on a straight-line basis according to the duration of the contract for flat fees, as well as an increase in the contractual royalty rate on licences.

In light of the weak sales outlook for certain licences, an additional amortisation of €215,000 was recorded at 31 December 2010.

The increase in amortisation and provisions for marketed games and games in development is €5,042,000 and €2,111,000 respectively. The amortisations correspond to an amortisation plan over 18 months of development costs as of the game's release date. Value tests were conducted on all marketed games and games in development at the end of the fiscal year, resulting in a provision of €2,111,000.

Tangible assets

Tangible assets are as follows:

Assets

	At 31/12/09	At 31/12/10
--	-------------	-------------

	Gross	Increases	Decreases	Gross
Plant and machinery	82			82
Transportation equipment	-			-
Computer equipment and furniture	3,780	886		4,666
TOTAL	3,862	886		4,748

The increases in tangible assets pertain to the purchase of mobile telephones and development kits, as well as the replacement of computer equipment.

Depreciations

	At 31/12/09 Cumulative	Increases	Decreases	At 31/12/10 Cumulative
Plant and machinery	55	15		70
Transportation equipment	-			-
Computer equipment and furniture	2,935	785		3,720
TOTAL	2,990	800		3,790

Financial assets

Financial assets are as follows:

Assets

	Gross At 31/12/09	Increases	Decreases	Gross At 31/12/10
Equity capital holdings	8,181	731		8,912
Other long-term investments	150			150
Deposits and bonds	249	18	-5	262
TOTAL	8,580	749	-5	9,324

The increase in equity capital holdings is due to the creation of the PT Gameloft Indonesia subsidiary for €73,000 and the Gameloft Software Shenzhen Co. Ltd. subsidiary for €158,000 and the share capital increase of Gameloft Ibérica for €500,000.

Other long-term investments are loans and receivables.

The increase in security deposits is due mainly to the indexing of rent.

Provisions

	At 31/12/09 Cumulative	Increases	Decreases	At 31/12/10 Cumulative
Equity capital holdings	119	77	-6	190
TOTAL	119	77	-6	190

The increases concern the equity capital holdings of PT Gameloft Indonesia for €73,000 and shares of Gameloft SPRL for €4,000.

The write-backs of provisions concern the equity capital holdings of Gameloft Venezuela for €6,000.

Subsidiaries and equity capital holdings:

€K	Subsidiaries		Equity Capital Holdings	
	French	Foreign	French	Foreign
Book value of shares held:				
- gross	118	8,794	-	-
- net	118	8,604	-	-
Total loans and advances granted		9,828	-	-
Total securities and guarantees provided		-	-	-
Total dividends collected		3,354	-	-

Subsidiaries and equity capital holdings:

	Currency	Capital in Foreign Currencies	SE Other than Capital in Foreign Currencies	Share of Capital Held (%)	Book Value of Shares (Gross in €)	Book Value of Shares (Net in €)	Total Loans and Advances Granted in €	Total Securities and Guarantees Provided	Revenue at 31/12/10 in Foreign Currencies	Earnings at 31/12/10 in Foreign Currencies	Dividends Distributed in €
SUBSIDIARIES CAPITAL HELD AT LEAST 50%											
Gameloft Inc. Divertissement (Canada)	\$ CAD	3,971,142	4,172,321	100.00%	2,855,807	2,855,807	10,984	-	20,631,254	1,043,073	-
Gameloft Inc. (USA)	\$ US	2,001,000	6,025,054	99.50%	2,316,726	2,316,726		-	39,810,685	627,557	-
Gameloft Ltd.	£	1,000	-1,916,764	99.50%	1,666	1,666		-	2,649,921	60,599	-
Gameloft GmbH	€	25,000	-1,846,468	100.00%	25,000	-	99	-	969,396	828,902	-
Gameloft Iberica SA (Spain)	€	560,161	-261,574	100.00%	560,162	560,162		-	7,027,544	207,992	-
Gameloft SRL (Romania)	RON	191,600	376,432	100.00%	106,259	106,259		-	29,050,583	710,048	-
Gameloft SRL (Italy)	€	96,900	381,806	99.74%	97,870	97,870		-	2,923,921	27,874	-
Gameloft Software Beijing Ltd.	RMB	1,663,264	63,140,206	100.00%	173,340	173,340		-	109,038,435	8,049,508	-
Gameloft KK	YENS	10,000,000	-367,620,124	99.90%	78,720	78,720	3,027,029	-	464,225,768	14,995,312	-
Gameloft Software Shanghai Ltd.	RMB	1,655,320	1,686,182	100.00%	166,661	166,661		-	50,078,337	1,713,712	-
Gameloft Software Cheng Du	RMB	1,603,220	-7,647,912	100.00%	155,678	155,678		-	34,062,751	2,434,018	
Gameloft Ltd. (Vietnam)	\$	50,000	509,550	100.00%	40,317	40,317	82,323	-	7,622,500	385,953	-
Gameloft EOOD (Bulgaria)	€	52,510	7,387	100.00%	53,000	53,000		-	1,535,904	63,571	-
Gameloft S. de R.L. de C.V.	\$ PESO	1,997,000	35,766,853	99.95%	140,028	140,028		-	160,070,128	-1,119,661	-
Gameloft Privated Ltd.	INR	103,026	35,449,115	99.99%	1,977	1,977		-	177,817,675	3,209,927	-
Gameloft Co. Ltd.	KRW	100,000,000	-5,167,956,185	100.00%	80,111	-	4,113,074	-	2,211,615,562	-228,402,979	-
Gameloft Argentina	ARS	1,200,000	22,005,179	95.00%	953,726	953,726	720,913	-	66,326,136	17,754,266	3,353,836
Gameloft LLC (Ukraine)	UAH	2,921,164	-886,887	100.00%	280,000	280,000		-	15,575,493	-92,015	-
Gameloft Do Brasil Ltda	BRL	478,918	-989,955	99.00%	165,000	165,000		-	7,998,651	250,807	-
Gameloft Australia Pty Ltd.	\$ AUD	5,000	-377,373	100.00%	2,936	2,936	144	-	1,564,848	-43,427	-
Gameloft SRO (Czech Rpublic)	CZK	200,000	-9,845,039	100.00%	7,108	-	318,830	-	56,011	-1,079,506	-
Gameloft SPRL (Belgium)	€	20,000	-3,527	99.50%	19,900	16,390		-	-	-1,471	-
Gameloft Singapore Ltd.	SGD	1	-297,832	100.00%	0	-	61,954	-	174,764	5,431	
Gameloft Venezuela	VEF	20,000	-147,741	95.00%	6,315	6,315	44,884	-	1,797,995	68,206	
Gameloft Dubai	€	37,638	-	100.00%	37,638	37,638		-	-	-	
Gameloft Philippines Inc.	PHP	9,000,000	4,991,493	99.99%	141,975	141,975	-	-	114,018,690	3,289,434	
Gameloft Hong Kong Ltd.	HKD	10,000	-10,248,522	100.00%	869	-	1,447,659	-	2,060,601	159,879	
Gameloft Developpements Live Inc.	CAD	150,000	101,476	100.00%	94,215	94,215			1,151,604	54,729	
	Currency	Capital in Foreign	SE Other than Capital	Share of Capital	Book Value of Shares	Book Value of Shares	Total Loans and	Total Securities	Revenue at 31/12/10	Earnings at 31/12/10	Dividends Distributed

		Currencies	in Foreign Currencies	Held (%)	(Gross in €)	(Net in €)	Advances Granted in €	and Guarantees Provided	in Foreign Currencies	in Foreign Currencies	in €
SUBSIDIARIES CAPITAL HELD AT LEAST 50%											
PT Gameloft Indonesia	IDR	892,200,000	-1,435,297,504	99.00%	73,176	-			-	-1,435,297,504	
Gameloft Software Shenzhen Co. Ltd.	RMB	1,347,560	-152,671	100.00%	157,518	157,518			4,412,132	- 152,671	
Gameloft Rich Games Production France SARL 75 001 Paris - 450 415 237 00012	€	7,500	317,703	99.80%	7,485	7,485	-	-	3,172,562	64,720	-
Gameloft Partnerships SAS 75 008 Paris – 488 934 506 00020	€	37,000	214,920	100.00%	37,000	37,000	-	-	2,480,399	88,607	-
Gameloft Live SAS 75 008 Paris – 500 819 537 00019	€	37,000	70,490	100.00%	37,000	37,000	-	-	648,469	17,589	-
Ludigames SAS 75008 Paris – 508 543 964 00011	€	37,000	-783	100.00%	37,000	37,000	-	-	89,674	4,395	-
EQUITY CAPITAL HOLDINGS CAPITAL HELD BETWEEN 10 AND 50%											
TOTAL	€				8,912,185	8,722,410	9,827,893	-			3,353,836

1. Inventory

Description	On 31/12/09	Gross value	Provision	On 31/12/10
Asphalt Nintendo DS cartridges	-	-	-	-
Nintendo DS cartridges	380	7	7	-
PS3 discs	29	1	1	-
Wii discs	48	6	6	-
TOTAL	457	14	14	-

At the end of 2008, Gameloft released several cartridge or disc games with the following titles: *Real Football 2009* and *Guitar Rock Tour* on the Nintendo DS, *TV Show King* on the Nintendo Wii, and *Brain Challenge* on the PS3.

The *Asphalt* Nintendo DS cartridges as well as the games listed above were sold worldwide until 31 December 2010. Only *TV Show King* will be sold in 2011.

The value of the entire inventory was depreciated at 31 December 2010 to €14,000 according to sales prospects for the coming years.

The inventory has not been put up as collateral.

Advance payments made

	At 31/12/09	Reclassification	Increase	Decrease	At 31/12/10
Advance payments made	-				-
TOTAL	-				-

Accounts receivable and related accounts

	At 31/12/09	Gross Value	Provision	At 31/12/10
Accounts receivable and related accounts	57,370	82,427	2,686	79,741
TOTAL	57,370	82,427	2,686	79,741

The provisions for accounts receivable are set up in the amount equal to our subsidiaries' negative shareholders' equity capital. At 31 December 2010, the provisions for accounts receivable concerned third-party customers totalling €176,000.

The increase in accounts receivable is related to our strong activity growth in the 2010 fiscal year compared with 2009, but nearly 75% of the accounts receivable item consists of intra-group receivables (€61,188,000).

All accounts receivable are due in less than 1 year.

Other receivables

	31/12/10	31/12/09
Credit notes from suppliers	253	148
Government (VAT credit, etc.)	901	906
Group and partners	9,868	8,213
Receivables from suppliers	1,377	1,408
Other corporate receivables	-	11
Uncalled share capital (issue premium included)	316	-
Other miscellaneous debtors	108	39
TOTAL	12,824	10,725

Most of the receivables from suppliers come under the intra-group suppliers item.

Due dates of receivables and debts

STATUS OF RECEIVABLES	Gross Amount	Less than 1 Year	More than 1 Year
Receivables on current assets			
Inventory	14	14	
Advance payments made	-	-	
Accounts receivable and related accounts	82,427	82,427	
Government (VAT credit, etc.)	901	901	
Group and partners	9,868	9,868	
Credit notes from suppliers	253	253	
Receivables from suppliers	1,377	1,377	
Other miscellaneous debtors	108	108	
Other corporate receivables	-	-	
Uncalled share capital (issue premium included)	316	316	
TOTAL	95,264	95,264	

STATUS OF DEBTS	Gross Amount	Less than 1 Year	More than 1 Year
Loans and similar accounts	-	-	
Financial debts	92	92	
Accounts payable and related accounts	48,687	48,687	
Tax and social security liabilities	1,415	1,415	
Other debts	3,934	3,934	
Debts on assets	4,381	4,381	
Group and partners	6,024	6,024	
TOTAL	64,533	64,533	

Provisions in the amount of €3,156,000 were recorded on 31 December 2010 for current accounts advances of subsidiaries. The interest rate on advances is 2% or 1% depending on advance contracts signed with our subsidiaries.

For subsidiaries that are not currently being liquidated, a provision is recorded for the subsidiaries' net negative share position.

The interest rate of the current account with Gameloft Iberica is 3%.

Accrued assets

	31/12/10	31/12/09
Credit notes from suppliers	253	148
Unbilled assets from customers	16,965	13,643
Accrued assets from the government	-	1
TOTAL	17,218	13,792

Accrued assets concerning unbilled clients on 31 December amounts to €16,965,000, of which €7,794,000 are intra-group billings.

Short-term investment securities

Short-term investment securities are recorded at their acquisition cost. At the year-end closing, a provision is set up for any capital losses.

Short-term investment securities consist of the following:

Description	Net 31/12/09	Gross Value at 31/12/10	Provision at 31/12/10	Net at 31/12/10	Value per Share Shown on the Balance Sheet	Share Price at 31/12/10	% of Ownership at 31/12/10
Negotiable certificate of deposit	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-

Cash assets

The "cash assets" item represents the balance of bank accounts totalling €15,758,000 at 31 December 2010 compared to €12,625,000 at 31 December 2009.

At 31 December 2010, Gameloft no longer had any negotiable certificates of deposit, but did have an interest-bearing savings account at an average rate of 2.2% per year for an investment of 24 months. These savings accounts can be unfrozen at any time.

Accruals

	31/12/10	31/12/09
Prepaid expenses	408	332
Translation adjustments	1,032	916
Total	1,440	1,248

The translation adjustments pertain mainly to the discounting of supplier operating debts for €677,000.

Shareholders' equity capital

	Balance at 31/12/09	Share Capital Increase	Change in Share Capital	Profit/Loss 31/12/09	Profit/Loss 31/12/10	Balance at 31/12/10
Share capital	3,740	14				3,754
Issue premium	65,969	859				66,828
Merger premium	624					624
Other reserves	- 23,224			4,653		-18,572
Fiscal year profit/loss	4,653			-4,653	9,815	9,815
TOTAL	51,761	873	-	-	9,815	62,449

The company saw an increase of share capital through the exercise of stock options in the amount of €873,000, which contributed to the increase in shareholders' equity capital as well as a profit of €9,815,000 for the year compared to the previous fiscal year. Shareholders' equity capital is positive at €62,449,000 compared to €51,761,000 in 2009.

Number of Gameloft SA shares

	Par Value in €	Number of Shares	Amount in €K
At 31/12/06	0.05	70,756,584	3,538
Exercised options on 25/10/2002	0.05	34,600	2
Exercised options on 21/03/2003	0.05	121,128	6
Exercised options on 03/12/2004	0.05	706,553	35
Exercised options on 15/09/2003	0.05	1,439,492	72
At 31/12/07	0.05	73,058,357	3,653
Exercised options on 21/03/2003	0.05	43,128	2
Exercised options on 03/12/2004	0.05	33,263	2
Exercised options on 15/09/2003	0.05	470,346	23
At 31/12/08	0.05	73,605,094	3,680
Exercised options on 03/12/2004	0.05	1,192,780	60
At 31/12/09	0.05	74,797,874	3,740
Exercised options on 11/04/2008	0.05	144,950	7
US options exercised on 11/04/2008	0.05	94,100	5
Exercised options on 03/01/2007	0.05	38,000	2
US options exercised on 03/01/2007	0.05	8,000	0
At 31/12/10	0.05	75,082,924	3,754

At 31 December 2010, the share capital consisted of 75,082,924 shares with a par value of €0.05, for a total of €3,754,146.20.

Stock options and bonus shares

As a reminder, the conditions under which stock options and bonus shares may be exercised are as follows:

Date of Board of Directors' Meeting	11/01/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	2,790,300	2,716,200	2,547,900	2,401,800	2,335,500	2,212,500
Number of shares cancelled		74,100	242,400	388,500	454,800	577,800
Number of people affected Managers affected	101 5					
Start of exercise period	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008
End of exercise period	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012
Subscription price	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros	5.35 euros

Date of Board of Directors' Meeting	11/01/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	612,000	468,000	363,000	333,000	333,000	333,000
Number of shares cancelled		144,000	249,000	279,000	279,000	279,000
Number of people affected Managers affected	33 0					
Start of exercise period	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008	11/01/2008
End of exercise period	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012	11/01/2012
Subscription price	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros	5.61 euros

Date of Board of Directors' Meeting	7/06/06	Balance at 31/12/06	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	40,200	40,200	40,200	10,200	10,200	10,200
Number of shares cancelled	-	-	-	30,000	30,000	30,000
Number of people affected Managers affected	2 0					
Start of exercise period	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010	07/06/2010
End of exercise period	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012	07/06/2012
Subscription price	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros	5.37 euros

Date of Board of Directors' Meeting	03/01/07	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	2,811,000	2,734,800	2,535,000	2,421,700	2,238,000
Number of shares cancelled		76,200	276,000	389,300	535,000
Number of people affected Managers affected	127 4				
Start of exercise period	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009
End of exercise period	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013
Subscription price	4.10 euros	4.10 euros	4.10 euros	4.10 euros	4.10 euros

Date of Board of Directors' Meeting	03/01/07	Balance at 31/12/07	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	710,100	604,800	530,400	511,200	494,200
Number of shares cancelled		105,300	179,700	198,900	207,900
Number of people affected Managers affected	38 1				
Start of exercise period	03/01/2009	03/01/2009	03/01/2009	03/01/2009	03/01/2009
End of exercise period	03/01/2013	03/01/2013	03/01/2013	03/01/2013	03/01/2013
Subscription price	4.30 euros	4.30 euros	4.30 euros	4.30 euros	4.30 euros

Date of Board of Directors' Meeting	11/04/2008	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	3,110,250	3,015,000	2,850,600	2,595,350
Number of shares cancelled		95,250	259,650	369,950
Number of people affected Managers affected	199 4			
Start of exercise period	11/04/2010	11/04/2010	11/04/2010	11/04/2010
End of exercise period	11/04/2014	11/04/2014	11/04/2014	11/04/2014
Subscription price	2.80 euros	2.80 euros	2.80 euros	2.80 euros

Date of Board of Directors' Meeting	11/04/2008	Balance at 31/12/08	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	534,300	525,300	508,200	398,900
Number of shares cancelled		9,000	26,100	41,300
Number of people affected Managers affected	48 1			
Start of exercise period	11/04/2010	11/04/2010	11/04/2010	11/04/2010
End of exercise period	11/04/2014	11/04/2014	11/04/2014	11/04/2014

Subscription price	2.95 euros	2.95 euros	2.95 euros	2.95 euros
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Date of Board of Directors' Meeting	14/05/2009	Balance at 31/12/09	Balance at 31/12/10
Number of shares eligible for subscription	2,208,500	2,130,900	2,003,800
Number of shares cancelled		77,600	204,700
Number of people affected	189		
Managers affected	2		
Start of exercise period	14/05/2011	14/05/2011	14/05/2011
End of exercise period	14/05/2015	14/05/2015	14/05/2015
Subscription price	2.36 euros	2.36 euros	2.36 euros

Date of Board of Directors' Meeting	01/06/2010	Balance at 31/12/10
Number of shares eligible for subscription	2,240,000	2,200,200
Number of shares cancelled		39,800
Number of people affected	189	
Managers affected	2	
Start of exercise period	01/06/2012	01/06/2012
End of exercise period	01/06/2014	01/06/2014
Subscription price	3.82 euros	3.82 euros

Issue of Bonus Shares	21/04/2009	Balance at 31/12/09	Balance at 31/12/10
Date of Board of Directors' meeting	21/04/2009		
Maturity – Vesting period	2 years - 22/04/2011		
End of holding period	2 years - 22/04/2013		
Number of instruments issued	720,750	720,250	717,250
Number of shares cancelled	-	500	3,500
Number of people affected	55		
Managers affected	3		

Issue of bonus shares	01/06/2010	Balance at 31/12/10
Date of Board of Directors' meeting	01/06/2010	
Maturity – Vesting period	2 years – 01/06/2012	
End of holding period	2 years – 01/06/2014	
Number of instruments issued	733,250	729,750
Number of shares cancelled	-	3,500
Number of people affected	60	
Managers affected	3	

The bonus shares allotted, subject to performance conditions being met by managers only, are frozen for a period of four years following the allotment date. Since the shares allotted are ordinary shares of the same category as the old shares comprising the company's share capital, the shareholder employee thus receives dividends and voting rights attached to all of his or her shares at the end of the vesting period.

In total, at 31 December 2010, the maximum number of shares to create through the exercise of stock options and bonus shares was 12,486,150 and 1,447,000 respectively.

Cancellations recorded during the fiscal year are the result of either terminations of recipients prior to the start of the period in which they could exercise their rights or the expiration of plans under market conditions making it impossible to exercise all rights.

Gameloft does not hold any treasury shares.

Accrued expenses

	31/12/10	31/12/09
Bank charges payable	2	3
TOTAL Loans and financial debts	2	3
Suppliers, invoices pending	6,629	5,139
Suppliers, invoices pending intangible assets	3,062	3,939
Suppliers, invoices pending tangible assets	-	12
Rebates, discounts and dividends pending	3,800	242
Tax liabilities	528	616

Social security liabilities	887	897
TOTAL	14,906	10,845

Rebates, discounts and dividends pending have sharply increased this year due to a new transfer price policy implemented on 1 January 2010.

Items pertaining to affiliates

The transactions made with the subsidiaries of the Gameloft group are as follows:

	31/12/10	31/12/09
Assets		
Tangible assets	440	
Equity capital holdings	8,912	8,181
Other financial assets	150	150
Accounts receivable and related accounts	61,188	43,830
Prov. for accounts receivable	- 2,510	- 2,196
Other receivables – Current accounts	9,828	8,175
Other receivables – Tax integration	40	36
Prov. for other receivables	- 3,156	- 3,252
Receivables from suppliers	1,470	1,434
Other miscellaneous receivables	108	
Debts		
Provision for contingencies and expenses	51	
Suppliers and related accounts	41,229	27,257
Financial debts	6,024	6,088
Unearned income	110	
Other miscellaneous debts	- 96	
Result		
Operating income	37,228	36,494
Operating expenses	76,683	63,147
Financial income	3,521	3,047
Financial expenses	921	2,063

The transactions made with companies owned by joint managers are as follows:

(Operations with the following companies are concerned: Guillemot Brothers, the Ubisoft group, AMA and Longtail Studios.)

	31/12/10	31/12/09
Assets		
Accounts receivable and related accounts	205	30
Liabilities		
Suppliers and related accounts	788	750
Customer credit balances		39
Result		
Operating income	207	1,752
Operating expenses	2,372	1,622
Financial income	-	
Financial expenses	-	

2. Provisions recorded on the balance sheet

	At 31/12/09	Allocations for the Year	Write-Backs for the Year	At 31/12/10
Provisions for risks & expenses				
For foreign exchange risks	916	1,032	-916	1,032
For other risks	82			82
For expenses	64	51	-64	51
Total	1,062	1,083	-980	1,165
Provisions for valuation				
On brands	1,829			1,829
On marketed games	1,087	2,111	-1,157	2,041

On advances/licences	567	216	-50	733
On equity capital holdings	119	77	-6	190
On stocks	-	14		14
On accounts receivable	2,352	334		2,686
On other receivables	3,252	122	-218	3,156
On short-term investment securities	=	=	=	=
Total	9,208	2,874	-1,431	10,649
Total	10,270	3,957	-2,411	11,814

The “provisions for expenses” item pertains to subsidiaries whose shareholders’ equity capital is negative (€51,000).

The “provisions on marketed games” item totalled €2,111,000 for the year based on project feasibility and marketing tests and €216,000 for the “provisions on advances on licences” item, an amount determined based on tests regarding the recovery of the advance granted to licensors.

The “provisions on accounts receivable” item pertains to third-party clients (€20,000) and intra-group receivables (€314,000).

The “provisions on equity capital holdings” item pertains to shares of PT Gameloft Indonesia (€73,000) and Gameloft SPRL (€4,000).

The “provisions on other receivables” item pertains to advances granted to Gameloft Hong Kong (€36,000), Gameloft SRO (€26,000), Gameloft Singapore (€53,000) and Gameloft Vietnam (€6,000).

The write-backs of provisions pertain to R&D expenses recorded in part on 31 December 2009 (€1,113,000) and provisions calculated on 30 June 2010 (€44,000).

The write-backs of provisions pertain to the equity capital holdings of Gameloft Venezuela (€6,000).

The write-backs of provisions for valuation on other receivables total €218,000 for Gameloft Korea Ltd.

Financial debts

Financial debts are as follows:

	31/12/10	31/12/09
Loans and similar accounts	92	51
Current account advances	6,024	6,088
Financial debts	6,116	6,139

	Less than 1 Year	1 Year to 5 Years	More than 5 Years
Amounts still due at 31/12/10	6,116		

Financial surplus:

	31/12/10	31/12/09
Financial debts	92	51
Cash assets	15,758	12,625
Short-term investment securities	-	-
Net financial surplus	- 15,666	- 12,574

At 31 December 2010, there was a net financial surplus of €15,666,000 compared to €12,574,000 at 31 December 2009.

All financial debts are based on a fixed rate and are in euros.

3. Receivables from suppliers and related accounts

	31/12/10	31/12/09
Receivables from suppliers	48,687	33,700
Total	48,687	33,700

The average period for paying our suppliers is at least 90 days.

The increase in receivables from suppliers is linked to the company's sharp activity growth during the 2010 fiscal year, but is offset by the debts of the group's subsidiaries for a total of €41,000,000 compared to €27,200,000 in 2009.

4. Tax and social security liabilities

	31/12/10	31/12/09
Tax liabilities	528	616
Social security liabilities	887	897
Total	1,415	1,513

Tax and social security liabilities decreased compared to 31 December 2009.

The "tax liabilities" item includes €235,000 for VAT.

5. Debts on assets

	31/12/10	31/12/09
Debts on assets	4,381	4,506
Total	4,381	4,506

Debts from suppliers on assets slightly decreased mainly due to debts on licences.

6. Other debts

	31/12/10	31/12/09
Customers – credit notes pending	3,800	242
Credit balances of customer accounts	91	76
Other debts	43	283
Total	3,934	601

7. Accruals

	31/12/10	31/12/09
Unearned income	188	211
Translation adjustments	2,605	955
Total	2,793	1,166

The "unearned income" item consists of client billing related to services not yet provided at the year-end closing and income linked to a rent exemption, the impact of which is carried over to a later fiscal year.

The "translation adjustments" liability is mostly related to the discounting of debt from suppliers (€139,000) and account receivables (€2,466,000). Account receivables in Canadian dollars, Japanese yen, Brazilian reals, Australian dollars and Mexican pesos varied greatly compared to the rate of 31 December 2009.

Notes to the Income Statement

Profit/loss from ordinary activities includes all ordinary activities carried out by Gameloft as part of its business, as well as any related activities undertaken by it which are incidental to or in line with its ordinary activities.

Mobile game development costs are recorded as expenses over the entire year. As described above, development costs of games for new platforms are capitalised when they meet the capitalisation criteria.

Production cost consists of the cost of “supplies” (other materials and supplies) plus other costs incurred by the company in the course of game production.

Revenue

The breakdown of revenue by business activity at 31 December 2010 is as follows:

	31/12/10		31/12/09	
	€K	%	€K	%
Mobiles	105,678	88%	90,625	91%
Consoles	5,443	5%	5,627	6%
Total Revenue	111,121		96,252	
Self-constructed assets	10,045	8%	5,274	5%
Closing inventory	-443	-1%	-1,940	-2%
Total	120,723	100%	99,586	100%

The breakdown of revenue by geographic area at 31 December 2010 is as follows:

	31/12/10		31/12/09	
	€K	%	K€	%
Europe	46,755	42%	45,572	47%
<i>including France</i>	<i>14,640</i>	<i>13%</i>	<i>17,228</i>	<i>18%</i>
North America	40,701	37%	33,486	35%
Rest of the world	23,665	21%	17,194	18%
Total Revenue	111,121	100%	96,252	100%
Self-constructed assets	10,045	-	5,274	-
Closing inventory	-443	-	- 1,940	-
Total	120,723	-	99,586	-

Other operating income and transfer of charges

Other operating income is as follows:

	31/12/10	31/12/09
Write-backs of provisions	246	141
Transfer of charges	938	910
Other income	74	56
Total	1,258	1,107

The “transfer of charges” item concerns the re-invoicing of overhead costs (€892,000).

The “write-backs of provisions” item relates to provisions for risks and charges for Gameloft Venezuela (€64,000), and provisions for asset depreciation (€182,000, of which €50,000 is depreciation of advances on licences and €132,000 is depreciation of development costs).

The “other income” item is income related to supplier payments that has not been cashed.

Purchases and other supplies

Cost of goods sold consists of purchases of products and goods intended for resale (€37,000), mobile game development costs (€75,707,000) and related overhead costs (€2,538,000).

8. Change in inventory of finished products

	31/12/10	31/12/09
Change in inventories: Asphalt DS	-	31
TOTAL	-	31

Other operating purchases and external charges

Other operating purchases consist primarily of telecommunication and small equipment costs (€451,000), advertising and marketing expenses (€1,870,000), conference and trade fair expenses (€250,000), travel expenses (€571,000), administrative subcontracting and marketing expenses, commissions and brokerage fees on sales (€3,130,000), royalties on advances already amortised (€7,775,000) and professional fees (€541,000).

Personnel expenses

At 31 December 2010, the company had 30 employees.

The amount of personnel expenses corresponding to game production is €2,252,000.

Operating amortisations, depreciations and provisions

Amortisations, depreciations and provisions are as follows:

	31/12/10	31/12/09
Amortisation of intangible assets	60	107
Amortisation of intangible assets: development costs	4,017	3,083
Amortisation of intangible assets: licences	4,928	3,900
Depreciation of tangible assets	800	826
Provisions	2,726	2,587
TOTAL	12,531	10,504

The “amortisation of intangible assets” item concerns the amortisation of software and development costs, as well as advances on licences amortised according to sales volume or on a straight-line basis for flat fees, depending on the contracts.

Intangible development costs are amortised on a straight-line basis over 18 months for games on the market. At 31 December 2010, Gameloft had more than one hundred twenty games capitalised and commercially available on various digital platforms such as the iPad, the DSi, Facebook, PS3, PSP, WiiWare, etc.

The “provisions” item concerns provisions on trade receivables (€334,000) and provisions for asset impairment (€2,327,000), of which €216,000 was for amortisation on advances and licences and €2,111,000 was for amortisation of development costs.

9. Net financial income/expense

Net financial income/expense breaks down as follows:

	31/12/10	31/12/09
Financial income:		
Income from other securities and receivables from long-term assets	3,354	2,908
Other interest and similar income	284	203
Write-backs of provisions	1,140	2,512
Foreign exchange gains	2,920	976
Net income from sales of short-term investment securities	-	-
	7,698	6,599
Financial expense:		
Provisions	1,231	2,809

Other interest and similar expenses	930	194
Net expenses on sales of short-term investment securities	-	-
Foreign exchange losses	<u>2,400</u>	<u>2,913</u>
	4,561	5,916
Net financial income/expense	3,137	683

The write-backs of provisions in the amount of €1,140,000 are as follows:

- €218,000 for current account advances, of which €218,000 was for Gameloft Co. Ltd.;
- €6,000 for equity capital holdings, of which €6,000 was for Gameloft Venezuela;
- €916,000 for foreign exchange losses.

The provisions in the amount of €1,231,000 are as follows:

- €77,000 for equity capital holdings, of which €73,000 was for PT Gameloft Indonesia and €4,000 was for Gameloft Sprl;
- €122,000 for current account advances, of which €36,000 was for Gameloft Hong Kong, €26,000 was for Gameloft SRO, €53,000 was for Gameloft Singapore and €6,000 was for Gameloft Vietnam;
- €1,032,000 for foreign exchange losses.

Other interest and similar expenses in the amount of €930,000 pertain primarily to interest expenses, of which €172,000 was for re-invoicing of interest on the current account advance transferred to Gameloft by Gameloft Iberica and €749,000 in debt write-offs for the German subsidiary.

All of Gameloft's debts are based on a fixed rate and are in euros. The company has no foreign exchange hedging strategy since its intra-group transactions, current account advances to subsidiaries, re-invoicing of the subsidiaries' expenses to the parent company and invoicing of royalties to the subsidiaries are done in foreign currencies (US dollars, Canadian dollars, pounds sterling, etc.), and since income in foreign currencies offsets the company's expenses in foreign currencies.

The company had no interest rate or foreign currency hedge at 31 December 2010.

10. Extraordinary profit/loss

Extraordinary items are income or expenses resulting from events or transactions that are clearly distinct from the company's ordinary activities and are therefore not expected to recur on a frequent or regular basis.

Extraordinary profit/loss is as follows:

	31/12/10	31/12/09
Extraordinary income:		
Write-backs of provisions	1,025	1,206
Extraordinary income from capital transactions	-	47
Extraordinary income from management operations	<u>56</u>	<u>-</u>
	1,081	1,253
Extraordinary expenses:		
Extraordinary expenses on management operations	278	41
Extraordinary expenses on capital transactions	36	55
Depreciation and provisions	<u>1,025</u>	<u>1,206</u>
	1,339	1,302
Total extraordinary profit/loss	-258	- 49

The "extraordinary income from management operations" item is revenue from litigation settlements in the amount of €56,000.

The "extraordinary expenses on management operations" are expenses related to the resolution of commercial litigation.

The "extraordinary expenses from capital transactions" item pertains to the net book value of intangible assets and licences (€36,000).

The "depreciation" item concerns a reclassification of the provision for development costs on 31 December 2009 and on 30 June 2010 as depreciation.

The “write-backs of provisions” item concerns the R&D costs recorded in part on 31 December 2009 and on 30 June 2010.

Corporate income tax

There was no income tax due for this fiscal year as a result of carry-over losses. Only one tax charge was recorded as a result of the tax integration.

	31/12/08	31/12/07	31/12/06	31/12/05	31/12/04	31/12/03	31/12/02	31/08/01	31/08/00
Carry-over losses *	2,586	3,064	-	-	-	-	13,801	2,186	-
TOTAL	2,586	3,064	-	-	-	-	13,801	2,186	-

* non-cumulative data

In fiscal year 2010, the reductions and increases in the future tax burden were as follows:

Future Tax Burden	Basis	Tax
Organic provision for the year	180	60
Tax on tourism vehicles	15	5
Contribution to housing tax	17	6
Unrealised foreign exchange gains	2,605	868
TOTAL REDUCTIONS	2,817	939

The tax rate in effect at 31 December 2010 was 33.33 %.

Income tax consists of the following:

At 31/12/10	Accounting Basis	Corporate Tax
Pre-tax profit/loss on ordinary activities	10,083	-
Extraordinary profit/loss	-258	-
Pre-tax profit/loss	9,825	-

At 1 January 2011, there was €30,871,000 in non-lapsing losses carried forward.

Income tax consists of the following:

	31/12/10	31/12/09
Current tax	10	-11
Deferred tax	-	-
Total	10	-11

Gameloft SA and its French subsidiaries, Gameloft Rich Games Production France, Gameloft Partnerships, Gameloft Live and Ludigames opted to adopt a tax integration scheme starting on 1 January 2009.

The amount of tax savings was €10,000 recorded for the Gameloft SA parent company.

3.2.6.7 Additional Information

1. Parent company

Gameloft SA – 81 rue Réaumur 75 002 Paris

2. Personnel

In fiscal year 2010, Gameloft SA’s staff consisted on average of 30 employees, including 21 men and 9 women.

3. Financial commitments and other information

Off-balance sheet commitments:

Off-Balance Sheet Commitments Related to Operating Activities	Characteristics		At 31/12/10
	Nature	End Date of Commitment	
Commitments related to the implementation of operating agreements	Commercial Lease	08/03/2015	€2,769,000
	Guarantee on behalf of Divertissement Canada Inc. for a framework leasing agreement entered into by Gameloft Canada & Dell Financial Services Canada Ltd.		CAD 250,000
	Obligation as a guarantor on behalf of Gameloft Argentina SA, a subsidiary of the company in Argentina, for the signing of a lease for the rental of offices in Buenos Aires (Argentina) with Irsa Inversiones Y Representaciones SA.		USD 144,000
Guaranteed commitments, mortgages, etc.	Chattel mortgage to guarantee the payment of rent and adherence to the obligations stipulated in the leases entered into by the lessor and Gameloft Divertissement Inc.	15/08/2014	CAD 322,000

- As a shareholder, Gameloft SA issued a letter of intent to the Gameloft KK subsidiary at December 31, 2010 to decide on the continued operation of the struggling company.

Discounted bills not due:	n/a
Collateral provided:	n/a
Guarantees received:	n/a
Lease finance:	n/a

Other Commitments:

The law of 4 May 2004 gives French employees an individual right to training (DIF). This right entitles them, at their request but with the employer's permission, to take part in training courses.

Each year, based on the agreements applicable at the company, full-time personnel employed under open-ended contracts who have at least one year of seniority at the company acquire a right to 20 hours of training. Employees with one year of seniority as of 7 May 2005 may benefit from this law.

The rights acquired annually may be accumulated over a six-year period, i.e. a maximum of 120 hours. At 31 December 2010, hours totalled 2,700. The provision is not significant.

4. Events subsequent to the close of year

No event is likely to have an impact on the financial statements.

5. Compensation of senior executives

The total gross compensation paid by the Company to executives during the year 2010 was €154,000,000.

No directors' fees were paid to executive officers during the year ended December 31, 2010.

	2010	2009
Salaries, misc. charges and benefits	154	154

Total pensions and other post-employment benefits		
Severance pay		
Total stock options and bonus shares issued	393,750	393,000

Amounts in Euros	Gameloft SA		TOTAL Compensation for 2010
	Gross Fixed Compensation	Benefits in Kind	
Michel Guillemot	60,000	0	60,000
Claude Guillemot	31,248	0	31,248
Gérard Guillemot	-	0	-
Yves Guillemot	31,248	0	31,248
Christian Guillemot	31,248	0	31,248
Total	153,744	0	153,744

Stock option plan and stocks

The executive directors that benefit from the option plan described below must keep in registered form five percent (5%) of the shares resulting from the exercise of options until termination of their duties.

STOCK OPTIONS GRANTED DURING THE FISCAL YEAR BY GAMELOFT SA					
Name of Executive Director:	Plan Number and Date	Type of Options	Number of Options Granted	Exercise Price	Exercise Period
- Michel Guillemot	Plan 10 of 01/06/2010	Stock options	300,000	€3.82	50% from 01/06/2012 until 01/06/2014 and 50% from 01/06/2013 until 01/06/2014
- Gérard Guillemot	Plan 10 of 01/06/2010	Stock options	37,500	€3.82	50% from 01/06/2012 until 01/06/2014 and 50% from 01/06/2013 until 01/06/2014
TOTAL			337,500		

Exercise of the options granted by the Board of Directors to the company managers is subject to an internal performance condition and an external performance condition. In addition, exercise of the options granted by the Board of Directors to the company managers is conditional upon the purchase of shares by these same company managers for a volume equal to 1% of the total net gain, after-tax, per share.

Bonus shares issued

The executive directors that benefit from the bonus shares described below must keep in registered form five percent (5%) of the total number of shares to be issued to each of them until termination of their duties.

BONUS SHARES GRANTED TO THE COMPANY MANAGERS DURING THE FISCAL YEAR					
Name of Executive Director:	Date of Board of Directors' Meeting	Number of Shares	Acquisition Date of the Shares	End of Holding Period – Date of Transferability	Performance Conditions
- Christian Guillemot	01/06/2010	18,750	01/06/2012	01/06/2014	Internal performance conditions and external performance conditions
- Yves Guillemot	01/06/2010	18,750	01/06/2012	01/06/2014	Internal performance conditions and external performance conditions
- Claude Guillemot	01/06/2010	18,750	01/06/2012	01/06/2014	Internal performance conditions and external performance conditions
TOTAL		56,250			

The transfer of bonus shares issued to executive directors is subject to an internal performance condition and an external performance condition. In addition, and given the family structure of the company's shareholders, the Board of Directors has fixed the amount of shares that each company manager can receive, when bonus shares are available, at 1% of net gain after taxes.

Stock options exercised by each executive director during the fiscal year:

No shares resulting from the exercise of options during the fiscal year ended 31 December 2010 were subscribed for by any of the executive directors.

Performance shares allotted to each executive director:

Starting in fiscal year 2010, stock options and bonus shares granted to the executive directors are subject to performance conditions. The total is determined by the Board of Directors on the recommendation of the Compensation Committee.

Employment contract, specific pensions, retirement benefits and non-compete clause offered to the executive directors:

Executive Directors	Employment Contract		Supplemental Retirement Plan		Indemnities or Benefits Owed or Potentially Owed as a Result of the Termination or Change in Duties		Indemnities under a Non-Compete Clause	
	Yes	No	Yes	No	Yes	No	Yes	No
- Michel Guillemot		X		X		X		X
- Christian Guillemot		X		X		X		X
- Yves Guillemot		X		X		X		X
- Claude Guillemot		X		X		X		X
- Gérard Guillemot		X		X		X		X

No commitment has been made in favour of the members of the Board of Directors with regard to compensation, financial consideration or benefits owed or likely to be owed as a result of the termination or change in their duties or subsequent to said duties.

6. Loans extended to the group's senior executives

At 31 December 2010, no advance or credit was extended to the group's senior executives pursuant to Article L.225-43 of the French Commercial Code.

Auditors' Report on the Financial Statements Ended December 31, 2010

Dear Shareholders,

Pursuant to the mission entrusted to us by your General Meeting, we present to you our report for the fiscal year ended 31 December 2010 regarding:

- The audit of the year-end financial statements of Gameloft SA, as attached to this report;
- The basis for our assessments;
- The specific verifications and information required by law.

The year-end financial statements were approved by the Board of Directors. It is our task, on the basis of our audit, to express an opinion on these financial statements.

I - Opinion regarding the year-end financial statements

We have conducted our audit in accordance with the accounting standards applicable in France. These standards require the use of due diligence to provide reasonable assurance that the year-end financial statements do not contain any significant misstatements. An audit entails examining, on a test basis or by other selection methods, the evidence supporting the amounts and information contained in the year-end financial statements. It also entails assessing the accounting principles applied, the significant estimates used and the overall presentation of the financial statements. We believe that the information that we compiled forms a sufficient and appropriate basis for our opinion.

We certify that the year-end financial statements are, from the standpoint of French accounting rules and principles, true and in good order and fairly present the company's net profit from operations during the previous fiscal year, as well as its financial position and assets at the end of said year.

II - Basis for the assessments

Pursuant to Article L. 823-9 of the French Commercial Code related to the basis for our assessments, we wish to bring the following points to your attention:

- As part of our assessment of the accounting rules and principles applied by your company, we reviewed the valuations of the intangible assets, and particularly the rules for capitalising development costs and licences, as described in note 6.4.1 of the appendix.
- Value tests are conducted on intangible assets, and more specifically the licences and developments that are marketed or in production, under the terms and conditions described in notes 6.4.1 and 6.5 of the appendix. We have reviewed the appropriateness of the methodology applied by the company and we are confident that they have been applied correctly.
- Note 6.4.3 of the appendix describes the accounting rules and methods related to financial assets. As part of our assessment of the accounting rules and principles and valuation methods applied by your company, and on the basis of the information we were given, we reviewed the approach taken and the calculations made by the Company and we assessed the resulting evaluations.

Our assessments were made within the context of our audit of the year-end financial statements as a whole, and therefore provided a basis for the opinion expressed by us in the first part of this report.

III - Specific verifications and information

In accordance with the professional standards applicable in France, we also conducted the specific verifications required by law.

We have no observation to make regarding the fairness and consistency with the year-end financial statements of the information provided in the Board of Directors' management report and in the documents sent to the shareholders pertaining to the financial position and year-end financial statements.

With regard to the information provided pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code regarding the compensation and benefits paid to the company managers and the commitments made to them, we have verified its consistency with the financial statements or with the data used to prepare these financial statements and, where applicable, with the information compiled by your company from the companies that control your company or are controlled by it. Based on this work, we certify that this information is true and accurate.

In accordance with the law, we have verified that all the information relative to acquisitions of shareholdings and control and to the identity of holders of capital was provided to you in the management report.

Rennes, 28 April 2011

The Auditors

Correlation table of appendix notes:

<u>Auditors' Report</u>	<u>Reference Document</u>
Note 6.4.2	Paragraph 3.2.6.2
Note 6.4.3	Paragraph 3.2.6.4.1
Note 6.5	Paragraph 3.2.6.5
Note 6.4.3	Paragraph 3.2.6.4.3

4. GOVERNANCE AND INTERNAL CONTROL

4.1 Report of the Chairman of the Board of Directors on the Conditions under Which the Board's Work is Prepared and Organised and on the Internal Control Procedures Implemented by the Company

This report, prepared in accordance with Article L. 225-37 of the French Commercial Code and Article L. 621-18-3 of the French Monetary and Financial Code, details the conditions under which the Board of Directors' work is prepared and organised, as well as the internal control and risk management procedures implemented by the company.

It describes the key components of the system implemented by the company in terms of organisation and procedures applicable to the company and to its subsidiaries whose financial statements are consolidated based on the full consolidation method. This report was prepared with the help of the company's Legal and Finance department and presented to the Board of Directors on 23 March 2011.

In drafting this report, the company referred to the Code of Corporate Governance for Listed Companies published by AFEP/MEDEF in December 2008 resulting from the consolidation of the AFEP and MEDEF report of October 2003 and the AFEP/MEDEF recommendations of January 2007 and October 2008 regarding the compensation of executive directors of listed companies (the "AFEP/MEDEF" Code) available on the MEDEF website (www.medef.fr).

4.1.1 Corporate Governance

The system of corporate governance to which this report makes reference is the "Code of Corporate Governance for Listed Companies" published by AFEP and MEDEF in December 2008 and available on the MEDEF website (www.medef.fr), hereinafter referred to as the "AFEP/MEDEF Code".

4.1.1.1 Conditions under Which the Board of Directors' Work is Prepared and Organised

4.1.1.1.1 Organisation and Operation of the Board of Directors

a) Board Members

At 31 December 2010, the Board of Directors consisted of five members, four of whom are also Executive Vice Presidents and assist the Chief Executive Officer.

Name	Age and Nationality	Start Date of Term	Expiration Date of Term
Michel Guillemot Chairman of the Board of Directors	52 years French	3 December 2001 Term renewed on 25/06/09	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Christian Guillemot Director	45 years French	Incorporation meeting of 1 December 1999 Term renewed on 25/06/09	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Claude Guillemot Director	54 years French	Incorporation meeting of 1 December 1999 Term renewed on 25/06/09	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
Yves Guillemot Director	50 years French	Incorporation meeting of 1 December 1999 Term renewed on 25/06/09	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014
G�rard Guillemot Director	49 years French	Incorporation meeting of 1 December 1999 Term renewed on 25/06/09	At the end of the AGM called to approve the financial statements for the fiscal year ending 31 December 2014

Given the company's size and the fact that some of its shareholders are family members, the Board of Directors has not previously included any independent director under the AFEP/MEDEF code.

In addition, French Law No. 2011-103 of 27 January 2011 concerning professional equality and the representation of women and men within the boards of directors and supervisory boards provides that any board of directors that includes no women at the time this law is enacted must nominate one within the next six months.

In accordance with the corporate governance principles decreed by the AFEP/MEDEF code and in order to conform to the provisions of Article L225-18-1 of the French Commercial Code, the Board of Directors, at its meeting of 23 March 2011, moved to have shareholders vote on the nomination of Ms. Marie-Th r se Guiny in the capacity of an independent director of the company for a period of six years that will expire at the end of the Ordinary General Meeting of shareholders called to approve the accounts for the year ending 31 December 2016.

In accordance with legal and statutory provisions, directors are appointed, reappointed or removed by the Ordinary General Meeting. Each director must own at least one share in the company. Directors are appointed for six years. Their terms of office expire at the end of the Ordinary General Meeting called to approve the financial statements of the fiscal year just ended and held during the year in which their terms expire.

Given the lack of a work committee and the fact that the employees do not hold a significant percentage of capital, no employee representative is involved in the Board's work.

b) Chairman of the Board of Directors and Chief Executive Officer

Pursuant to the provisions of the French law on new economic regulations of 15 May 2001 (*loi NRE*), the company's Articles of Incorporation provide the ability to separate the functions of Chairman of the Board of Directors from those of Chief Executive Officer.

However, in accordance with a deliberation of 3 December 2001, the Board of Directors decided not to separate the functions of Chairman of the Board of Directors from those of Chief Executive Officer and consequently opted to combine the functions of Chairman of the Board of Directors and Chief Executive Officer of the company, with the Chairman of the Board of Directors also assuming responsibility for the company's general management.

The Chairman represents the Board of Directors. He organises and directs the Board's work and reports on it to the General Meeting. He ensures that the governing bodies (Board of Directors and General Meeting) over which he presides function properly. The Chief Executive Officer directs the company and represents it vis- -vis third parties. He is vested with the fullest powers to act on the company's behalf.

c) Limits placed by the Board of Directors on the powers of the Chief Executive Officer

The powers of the Chief Executive Officer and the Executive Vice Presidents are not subject to any statutory limitation or limitation imposed by the Board.

d) Powers and duties of the Board of Directors

The Board considers matters that come under its authority as provided by legal and statutory provisions.

It determines the company's general strategic policies, which are in turn implemented by General Management under its supervision. Subject to the powers expressly granted to shareholders' meetings by law and the Articles of Incorporation and within the limits of the corporate purpose, the Board of Directors deals with all issues affecting the company's proper functioning and, through its proceedings, handles all matters concerning the company.

The Board of Directors therefore:

- defines the group's objectives and strategy in accordance with its corporate culture and values;
- chooses the way in which General Management is organised (whether to separate or combine the functions of Chairman and Chief Executive Officer);
- exercises, as it deems appropriate, the authorisations granted to it by the General Shareholders' Meeting;
- examines and approves the financial statements;
- oversees the management and ensures the quality of information provided to shareholders and the markets via the financial statements or during major transactions.

e) Information provided to the directors

The Chief Executive Officer provides the directors with the necessary information and documentation to perform their duties and prepare the proceedings as provided by Article L. 225-35 of the French Commercial Code.

Moreover, each director may obtain additional information on his own initiative and the Chief Executive Officer is always available to provide explanations and important information to the Board of Directors.

Directors are required to not disclose confidential information given to them as such by the Chairman of the Board of Directors.

f) Board of Directors' meetings

Board meetings are held at the registered office or any other place indicated in the meeting notice. For calculating the quorum and majority, directors participating in the Board meeting via videoconference or telecommunications media are deemed to be present. However, the actual presence or presence by representation will be required for all Board proceedings related to the closing of the year-end and consolidated financial statements, as well as the drafting of the management report and the report on the group's management. Pursuant to Article L. 225-38 of the French Commercial Code, the auditors are called to Board meetings at which the year-end financial statements are reviewed and approved.

The Board met 9 times in 2010. The directors attended the Board meetings regularly, with an overall attendance rate of 72.55% in 2010.

They participated actively and freely in the proceedings and contributed their knowledge and professional expertise in an effort to promote the general interest of the shareholders and the company.

Following are the main agendas of the meetings:

- 21 January 2010: Share capital increase following the exercise of 2009 SO & start-up company warrants (four out of six directors present).
- 8 March 2010: Incorporation of a subsidiary company in Shenzhen, China. Establishment of the Audit Committee (five out of six directors present).

- 23 March 2010: Approval of the individual and consolidated financial statements for the fiscal year ended 31 December 2009. Proposed allocation of profit. Free and regulated agreements. Notice to attend the annual general meeting (four out of six directors present).
- 26 April 2010: Analysis and preparation of the report on the projected management documents for 2010 (four out of six directors present).
- 1 June 2010: Bonus issue of shares to the group's employees and managers. Decision to implement a stock option plan for the group's employees and managers (four out of six directors present).
- 31 August 2010: Closing of the half-year accounts at 30 June 2010. Preparation of the half-year financial report (four out of six directors present).
- 24 September 2010: Incorporation of a subsidiary company in Indonesia. Resignation of Marcel Guillemot from his position as director (four out of five directors present).
- 28 October 2010: Update of the report on the projected management documents for 2010 (four out of five directors present).
- 20 December 2010: Availability of stock options offered to two of the group's employees (four out of five directors present).

g) Evaluation of the Board of Directors' work

As recommended by the AFEP/MEDEF code, at its meeting of 23 March 2011 the Board of Directors conducted an evaluation of the composition, organisation and operation of the Board of Directors through a questionnaire sent to each director. The Board of Directors was of the opinion that the results are positive and show that the Board's operation is somewhat satisfactory on the whole.

4.1.1.1.2 The Board of Directors' Committees

a) Appointments and Compensation Committee

The Board of Directors is assisted by a specialised committee: the Appointments and Compensation Committee. This committee is comprised exclusively of directors. Its members are appointed by the Board of Directors, which also appoints its chairman. The committee's specific powers and rules of operation were defined by the Board at the time of its creation.

• Members

At 31 December 2010, this Committee was made up of Michel Guillemot, Chairman, who was assisted by Claude Guillemot. Neither of these members is independent.

• Role

The role of the Appointments and Compensation Committee is to lead discussion on compensation of the members of the Board of Directors, the Chief Executive Officer and the Executive Vice Presidents and to decide whether it is appropriate to grant them stock options. The Committee will review candidacies and make proposals to the Board of Directors regarding the appointment or reappointment of directors and, in particular, the selection of independent directors.

• Meetings

The Appointments and Compensation Committee met two times in 2010. The members attended the Committee meetings regularly, with an attendance rate of 100%.

• Summary of the Committee's work in fiscal year 2010:

- 1 June 2010: Establishment of the principles of a plan to issue bonus shares and the principles of a stock option plan.
- 24 September 2010: Announcement of the resignation of Marcel Guillemot from his position as Director.

b) Audit Committee

At its meeting on 8 March 2010, the Board of Directors decided to take on the role of audit committee, thereby monitoring questions related to the preparation and control of the company's accounting and financial information.

• Members

This committee is made up of all the members of the Board of Directors.

• Role

The role of the Audit Committee is to:

- examine the accounts and ensure the appropriateness and consistency of the accounting methods used to prepare the company's consolidated and individual financial statements;
- monitor the financial reporting process;
- monitor the efficiency of the internal control and risk management systems.

• Meetings

The Audit Committee met two times in 2010. The members attended the Committee meetings regularly, with an attendance rate of 100%.

• Summary of the Committee's work in fiscal year 2010:

- 23 March 2010: Review of individual and consolidated accounts for the fiscal year ended 31 December 2009.
- 31 August 2010: Review of the half-year accounts at 30 June 2010.

4.1.1.2 Compensation of the Company Managers

4.1.1.2.1 Compensation

The compensation of the executive directors consists of fixed compensation and benefits in kind. The executive directors do not receive variable compensation. They may be granted stock options and performance shares. The total is determined by the Board of Directors on the recommendation of the Compensation Committee. Stock options and performance shares granted to the executive directors are subject to performance conditions.

The total gross compensation paid to the senior executives in fiscal year 2010 by the company, by the controlled companies as defined by IAS 24.16, and by the company that controls the company at which they perform their duties was €1,829,000, of which €154,000 was paid by Gameloft SA.

4.1.1.2.2 Directors' Fees

No directors' fees were paid to Gameloft company managers during the fiscal year ended 31 December 2010.

4.1.1.2.3 Stock Options Plan

Stock options are granted to employees and the executive directors by the Board of Directors on the recommendation of the Compensation Committee. Stock options are a way of recognising the recipient's performance and contribution to the Gameloft Group's development as well as an assurance of his/her future employment with the company.

At the time of each plan, the Compensation Committee and the Board assess the nature of the options to be granted – subscription or purchase – based primarily on financial considerations. A list of recipients is proposed

by General Management to the Compensation Committee, which reviews it and submits it to the Board of Directors which grants the options. The Board also determines the conditions under which the options may be exercised, the exercise price and the vesting period. The exercise price is based on the average share price during the 20 trading days preceding the date of the grant decision and may be subject, in accordance with the conditions provided by law, to a discount of no more than 5%. The plans generally provide for a four-year vesting period. In addition, the executive directors receiving options must keep in registered form five percent (5%) of the shares resulting from the exercise of options until termination of their duties.

In accordance with the AFEP/MEDEF code and the recommendations issued in October 2008 by AFEP and MEDEF regarding the compensation of executive directors, the awarding of stock options to executive directors are subject to a performance condition.

Exercise of the options granted by the Board of Directors to the executive directors is also conditional upon the purchase of shares by these same executive directors for a volume equal to 1% of the total net gain, after-tax, realised by each of them.

4.1.1.2.4 Stock Options Exercised during the Fiscal Year by the Executive Directors

No shares resulting from the exercise of options during the fiscal year ended 31 December 2010 were subscribed for by any of the executive directors.

4.1.1.2.5 Bonus Issue of Shares

The bonus shares issued to the paid employees and executive directors of the company and of the companies or groups of companies related to it within the meaning of Article L. 225-197-2 of the French Commercial Code are approved by the Board of Directors on the recommendation of the Compensation Committee. Bonus shares are a way of recognising the recipient's performance and contribution to the company's development as well as an assurance of his/her future employment with the company.

A list of recipients is proposed by General Management to the Compensation Committee, which reviews it and submits it to the Board of Directors which issues the bonus shares. The Board, with the authorisation of the general meeting, establishes the conditions and criteria that must be met by the recipients of new shares allotted free of charge, decides on the number of shares to be issued and notes the definitive allotment dates and the dates from which the shares may be freely sold, in light of legal restrictions.

In addition, the executive directors receiving bonus shares must keep in registered form five percent (5%) of the shares allotted until termination of their duties.

In accordance with the AFEP/MEDEF code and the recommendations issued in October 2008 by AFEP and MEDEF regarding the compensation of executive directors, the awarding of bonus shares to executive directors are subject to a performance condition.

Vesting of the bonus shares allotted by the Board of Directors to the executive directors is also conditional upon the purchase of shares by these same executive directors for a volume equal to 1% of the total net gain, after-tax, realised by each of them.

4.1.1.2.6 Employment Contract, Retirement Benefits and Non-Compete Clause Offered to the Executive Directors

None of the directors are under an employment contract. No commitment has been made in favour of the members of the Board of Directors with regard to compensation, financial consideration or benefits owed or likely to be owed as a result of the termination or change in their duties or subsequent to said duties.

4.1.1.2.7 Services Contract with the Issuer and Its Subsidiaries

No services contract has been made between the members of the Board of Directors and the issuer or any of the group's subsidiaries which grants a benefit at the end of such contract.

4.1.1.3 Terms and Conditions of Shareholders' Participation in General Meetings

Pursuant to Article 14 of the Articles of Incorporation and Article R. 225-85 of the French Commercial Code, all shareholders are entitled to participate in the meetings, upon proof of identity, by attending the meeting in person, returning a vote-by-mail ballot or designating a proxy in accordance with the applicable laws and regulations, under the following conditions:

- holders of registered shares must be listed in the company's records under their own name;
- holders of bearer shares must file at the place indicated in the meeting notice a certificate issued by an authorised broker showing that their shares listed in the records are non-transferable up to the Meeting date.

These formalities must be completed at least five (5) days prior to the Meeting.

Shareholders who wish to attend the meeting in person must request to do so by returning their voting form either directly to CACEIS (registered shareholders) or to their financial broker (bearer shareholders). They will then receive an admission card.

A meeting notice, along with a vote-by-mail ballot or proxy form, will be sent automatically to registered shareholders. Bearer shareholders must contact the financial broker who manages their shares in order to obtain the vote-by-mail ballot or proxy form.

In order to be honoured, requests for vote-by-mail ballots or proxy forms must be received at least five days prior to the meeting date at Gameloft – Service Assemblées – 14 rue Auber – 75009 Paris.

4.1.2 Internal Control and Risk Management Procedures

General Management expresses its clear, ongoing commitment to maintain and improve a reliable, effective system of internal control built on a strong ethical foundation, an appropriate organisation, defined responsibilities and proven competencies in order to ensure transparent management and well-informed shareholders, key components of good governance.

4.1.2.1 Definitions and Objectives of Internal Control

In order to prepare this report on fiscal year 2010, Gameloft chose to draw on the internal control reference framework and the recommendations published by the AMF and updated in July 2010.

According to this framework, internal control is defined as a system which seeks to ensure:

- compliance with laws and regulations;
- the implementation of the instructions and policies defined by General Management;
- proper functioning of the company's internal processes, particularly those that help to protect its assets;
- the reliability of financial reporting.

This system must also facilitate control of the company's activities, the effectiveness of its operations and the efficient use of its resources, as well as allowing the company to take significant operational, financial or compliance risks into consideration. The internal control system also plays a key role in management and oversight of the company's activities.

The aim of internal control is therefore to:

- ensure that management activities, transactions carried out and employee behaviour are in line with the guidelines issued by the Board;
- ensure that transactions comply with applicable laws and regulations;
- prevent and manage risks inherent to the company's activity and risks of errors or fraud, particularly in the accounting and finance areas.

Internal control procedures related to preparing and processing accounting and financial information include those which allow the company to produce the financial statements and information concerning the company's financial situation.

To this end, Gameloft has taken significant steps toward assessing the appropriateness of its internal control system and evaluating its effectiveness on an ongoing basis. The internal control system will therefore continue to be adapted to the specific needs and requirements of the group and its subsidiaries and to changes in its external environment.

However, the group is aware that the internal control system cannot provide an absolute guarantee that the objectives will be attained and that all the risks that the company may face will be managed.

4.1.2.2 Scope of the Internal Control System

This report covers all controlled companies included in the group's scope of consolidation and describes the internal control system put in place by Gameloft to ensure the reliability of its individual and consolidated financial statements.

Each company applies the procedures, the main characteristics of which are summarised below. This internal control is based on the following key principles:

- recognition of the full responsibility of the directors of the group's companies;
- a system of regular financial reporting;
- a regular and/or occasional review of key points and of the company's activity.

4.1.2.3 Risk Management

In carrying out its activities, the group is exposed to a number of risks that can impact its performance and its ability to attain its strategic and financial objectives. In order to identify and analyse these risks and the measures taken to manage them, the company has developed a risk map which is updated annually and is the product of a dynamic approach spearheaded by management teams and followed up by operational and functional teams.

The following steps were taken in mapping these risks:

- identification of all the company's activities;
- evaluation and classification of the risks and of their impact on each of the company's activities;
- evaluation of the quality of the controls and preventive measures.

The procedures put in place form an operational framework within the company. They are updated regularly in order to eventually become real risk management tools that can be used at all levels of the organisation, in particular for analysis of computer and non-financial risks.

The company's goal is therefore to strengthen its systematic approach toward risk analysis, thanks in particular to the creation of risk indicators. It intends to rely as much as possible on existing guidelines in order to improve its evaluation methods, further identify and document control procedures and better monitor its action plans.

An analysis of the key risks, their impact on the company's financial statements and the principal measures taken to manage them are described in the chapter of the management report entitled "Risk Factors".

4.1.2.4 General Organisation of Internal Control

a) The key players or departments involved in internal control activities

(i) Organisation:

The following are involved in the internal control system:

Chief Executive Officer: defines and guides the group's strategy. He is responsible for developing the procedures and the measures taken to ensure the operation and monitoring of internal control.

Board of Directors: determines the policies that guide the company's activity and sees to it that they are implemented. It oversees the company's management, particularly by approving the year-end financial statements and reviewing the half-year financial statements. The Board of Directors represents, as a group, all shareholders and is required to act at all times in the group's best corporate interest. Its proceedings cover all issues vital to the group, including in particular general strategic policies. It therefore has access to all the necessary documents and reports to fulfil this purpose. Moreover, each director may obtain additional information on his own initiative and the Chief Executive Officer is always available to provide explanations and important information to the Board of Directors.

Audit Committee: as part of its responsibilities, the Audit Committee prepares the decisions of the Board of Directors and makes recommendations or issues notices to the Board on a variety of topics, including:

- the review of the company's individual and consolidated financial statements;
- the review of the company's cash flows;
- the accounting measures and principles taken to draw up financial statements;
- the preparation of financial information;
- the consistency and effectiveness of the internal control and risk management systems.

Other key players in internal control: Gameloft is organised into game development subsidiaries and marketing subsidiaries. The Gameloft Group's management, based in France, informs its subsidiaries of the strategic directions to follow and oversees their implementation.

The organisation of internal control is centred around four international departments:

- Development
- Sales and Marketing
- Finance and Accounting
- Legal and Human Resources.

These four central departments are overseen by Gameloft's Chief Executive Officer, whose powers are derived from certain laws and regulations. The company has introduced a procedures manual and conducts application tests on a regular basis.

• Development

The Development department oversees the activity of the mobile game development studios located in France, Spain, Canada, the United States, Japan, South Korea, Romania, Bulgaria, China, Vietnam, India, Mexico, Argentina and the Philippines. The studios report weekly to the Development department on the progress of the games currently under development. Publishing decisions for the development of new games are made by the Development department together with the Sales and Marketing department.

• Sales and Marketing

The Sales and Marketing department oversees the activity of the mobile game marketing teams located in France, Germany, the United Kingdom, Spain, Italy, the United States, Canada, Japan, South Korea, China, India, Mexico, Argentina, the Czech Republic, Hong Kong and Singapore. These marketing teams handle the distribution and marketing of mobile games in the geographic areas for which they are responsible. The managers of these departments have broad latitude in terms of seeking out new partners to distribute the games. However, all partnership and game distribution agreements are approved by the Sales and Marketing department located in France, which facilitates monitoring and minimises risk. Each marketing subsidiary sends a detailed weekly account of its sales and marketing activity (new contacts, report of customer meetings, etc.) to the Sales and Marketing department.

• Finance and Accounting

The Finance and Accounting department's areas of responsibility include cash flow management, monitoring of accounting and management rules, identifying external growth investments, finance, and relations with the financial community and shareholders. It also coordinates the company's corporate policy. The administrative departments at the registered office may be consulted by the company's subsidiaries outside of management channels. Each manager of a development or marketing subsidiary is a signatory on the subsidiary's bank account and manages independently its expenses and physical investments (limited for the most part to computer equipment). Every month, however, each subsidiary manager sends a detailed monthly income statement and a

cash flow report to the Financial and Accounting department, which can then closely monitor changes in income and expenses on a global scale. These monthly income statements are then sent immediately to the company's two other departments, thus enabling them to monitor changes in the subsidiaries for which they are responsible.

• ***Legal department and Human Resources***

The group's Legal department ensures the legal certainty of the group and its managers. The Legal department's duties include the formalisation and drafting of all contracts. It monitors laws and regulations in order to identify and anticipate changes to them. In addition, all legal proceedings and pre-litigation disputes are monitored by the Legal department in close collaboration with law firms.

The task of the subsidiaries' human resource teams is to develop and implement the necessary policies, programmes and tools to meet the recruitment objectives defined at the group level, while also ensuring the development of each employee's potential and skills. These teams also ensure compliance with local regulations and implementation of the group's policies regarding overall and individual performance improvement through regular evaluations, a development plan, customised training, the granting of stock options, enrolment in savings plans, etc.

(ii) Tools and operating methods:

The IT teams, which are part of the Information Systems department, ensure that teams have the appropriate tools to do their jobs. Together with the operational and functional teams, they determine the information systems required for information production and secure management of operations. A wide range of tools is used by the group, including commercial software and tools developed in house, and these tools are constantly updated to meet the growing needs of information management and analysis.

b) Control activities

In addition to the risk management system, the group has also implemented numerous control processes at all levels of the company. The functional departments at the registered office play a key role in this area by ensuring that the subsidiaries' activities adhere to group guidelines and by assisting them with risk management, such as when local teams do not have sufficient qualifications:

• **The management control department** monitors the company's performance by tracking operations via monthly reports submitted by all the group's subsidiaries. Given the group's small size, there is no "Internal Audit" system. The "Management Control" department is part of the Development department. The group's management control is the management control coordination unit which monitors all activity of the mobile game development studios at the group level. Prior to starting development on each new game, forecasts are made regarding the composition of the development team, the amount of time allocated to development and the number of devices on which the game will be developed. This work method makes it possible to determine with the greatest accuracy the projected development cost of each game and serves as an efficient alert system in case of a delay in game development. Any variance between estimated and actual costs is analysed and subsequent games benefit from the lessons learned. The financial controllers monitor the entire financial reporting cycle and regularly audit the subsidiaries on their performance, results and activity.

• **The consolidation department** prepares the Group's consolidated financial statements and provides all the expertise required to prepare and analyse the monthly financial statements. It issues the accounting procedures applicable within the group. It ensures compliance with the rules and regulations in force in order to fairly present the Group's activity and financial position.

• **The cash management department** coordinates the cash management of the French and foreign subsidiaries by, among other things, overseeing projected cash flows. It ensures that the foreign exchange and liquidity risk management policies are consistent with the financial information published and manages off-balance sheet commitments.

• **The legal department**, which specialises in corporate law, contract law, legal proceedings and intellectual property, assists and advises the subsidiaries on legal matters. It coordinates joint studies or studies of interest to the Group and offers legislative support to local entities in order to manage risk in different areas.

• **The information systems department** collaborates on the choice of computer tools and ensures consistency at both the technical and functional level. It also tracks the progress of IT projects on a regular basis and ensures they meet the need defined by the functional teams and the budgets approved by management. The security department is responsible for ensuring and organising the protection of the information system, whether this entails the security of the various applications, the server architecture, the computer rooms or the organisation at the group level.

c) Internal control related to the preparation and processing of financial and accounting information

Internal control procedures related specifically to the preparation and processing of financial and accounting information are designed to define and implement the accounting policy and manage resources and constraints in order to meet the company's objectives. Preparing and processing financial and accounting information is primarily the responsibility of the Finance and Accounting department.

In terms of financial information, Gameloft has a decentralised organisation. Each subsidiary's financial statements are prepared by the local accounting and financial teams under the supervision of the subsidiary's managers.

Preparation of the individual financial statements

The Finance and Accounting department is responsible for preparing Gameloft's financial statements in a manner that ensures accuracy and compliance with the regulations of the market on which the company is listed: Euronext Paris – Segment B.

The accounting procedures are in line with the key objectives of completeness, precision, compliance of transaction recording with the applicable rules, and consistency of the recording method with the group's rules.

Specific procedures apply to the recording of entries that affect the main balance sheet, income statement and off-balance sheet items.

The financial statements of each subsidiary are prepared under the supervision of their manager by the local accounting services, which ensure compliance with the tax and regulatory restrictions of their respective countries. These statements are subject to a limited review on the half-year financial statements and an audit by the auditors of each entity for the year-end closing.

Preparation of the consolidated financial statements

The consolidated financial statements are prepared by the Finance and Accounting department based on data collected from the information systems and the financial statements prepared by the subsidiaries.

Since 2005, the Group's consolidated financial statements have been drawn up in accordance with international standards (IFRS). They are prepared quarterly based on a schedule established by the Finance and Accounting department at the time of each closing.

The entities' consolidation reporting packages are completed by the subsidiaries' accountants. The Financial and Accounting department produces the consolidated financial statements for the entire group. It ensures that the source data submitted by the subsidiaries is consistent and that the consolidated financial statements are prepared in accordance with the rules and regulations in force and fairly present the group's activity and financial position.

Each quarter, the group announces its consolidated revenue. The group's consolidated financial statements are published twice a year. They are audited annually and undergo a limited review twice a year, as required by law. They are approved by the Board of Directors and then by the general shareholders' meeting. Each year, the group also publishes financial documentation.

Collection procedures and off-balance sheet commitments

During half-year and year-end account closings, the information needed to prepare consolidated off-balance sheet commitments is collected by the Finance and Accounting department from all departments in the company and subsidiaries of the Group.

Off-balance sheet commitments are ultimately validated by the Auditors as part of their audit on the financial statements.

Procedures for monitoring operational assets

The Group uses software to monitor assets for accounting purposes. During each closing, the information from these applications is reconciled with the accounting records.

Financial communication

Aside from the Chief Executive Officer, the Financial and Accounting department is solely authorised to release financial information concerning the group and its strategy outside the company, with the Board of Directors responsible for final approval.

Under the supervision of the Administrative and Financial Director, the group's Finance and Accounting Director, in collaboration with the Legal department, drafts the following documents:

- financial press releases
- half-year management report
- reference document
- presentation for the General Meeting.

Financial information is released in strict compliance with the market operating rules and the principle of equal treatment of investors.

Audit performed by the Auditors

The ongoing and independent mission of the Auditors of the company and its subsidiaries is to verify the company's book values and accounting documents, ensure that the accounting records comply with the rules in force, and verify consistency with the year-end financial statements and the truthfulness of the information provided in the Board of Directors' management report and in the documents sent to shareholders regarding the financial position and financial statements of the group and its subsidiaries.

The Auditors perform their work twice a year when certifying the half-year financial statements and the year-end and consolidated financial statements. They are routinely informed of specific significant operations.

The Auditors are informed prior to the preparation of the financial statements and present a summary of their work to the group's Finance and Accounting department at the time of half-year and year-end closings.

4.1.2.5 Action Plan for Improving Internal Control

Gameloft's general management is mindful of changes in the legal and regulatory framework of corporate governance and internal control.

In collaboration with the Board of Directors, it is introducing more stringent measures in both these areas while endeavouring to ensure that all of the company's management levels remain flexible and responsive.

The group has maintained light management structures during fiscal year 2010 while ensuring the observance of policy principles based on the autonomy of operational entities in order to:

- ensure the proper application of rules and procedures;
- monitor changes in regulatory requirements;
- maintain efficient management of key risks;
- guarantee reliable, regular and high-quality financial information.

Generally speaking, continuous improvement of the procedures, standards and information systems remains one of the primary objectives and is in line with a three-fold commitment to efficiency, management and control.

Paris, 23 March 2011,

Chairman of the Board of Directors.

4.2 Auditors' Report Prepared in Accordance with Article L.225-235 of the French Commercial Code on the Report of the Chairman of the Board of Directors of Gameloft SA

Dear Shareholders,

In our capacity as auditors of Gameloft SA and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we present to you our report prepared by your company's Chairman pursuant to the provisions of Article L. 225-37 of the French Commercial Code for the fiscal year ended 31 December 2010.

The Chairman is responsible for preparing and submitting to the Board of Directors for approval a report which details the internal control and risk management procedures implemented at the company and provides the other information required by Article L. 225-37 of the French Commercial Code relative to, among other things, the system of corporate governance.

It is our responsibility to:

- provide our observations based on the information contained in the Chairman's report concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information;
- certify that the report contains the other information required by Article L. 225-37 of the French Commercial Code, with the stipulation that it is not our responsibility to verify the fairness of this other information.

We have performed our work in accordance with the professional standards applicable in France.

Information concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information

The professional standards require that we follow certain procedures to assess the fairness of the information concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information contained in the Chairman's report.

These procedures entail:

- *acquiring an understanding of the internal control and risk management procedures related to the preparation and processing of the accounting and financial information underlying the information presented in the Chairman's report as well as the existing documentation;*
- *acquiring an understanding of the work involved in preparing this information and of the existing documentation;*
- *determining whether any major weaknesses in internal control related to the preparation and processing of accounting and financial information detected by us during our audit are appropriately reported in the Chairman's report.*

Based on this work, we have no observation regarding the information about the company's internal control and risk management procedures related to the preparation and processing of accounting and financial information, as contained in the Chairman of the Board of Directors' report, which was prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We certify that the report of the Chairman of the Board of Directors contains the other information required by Article L.225-37 of the French Commercial Code.

Rennes, 28 April 2011

The Auditors

AMLD AUDIT
Jean-Marc Bresson

MB AUDIT
Marc Dariel

5. LEGAL INFORMATION

5.1 Special Auditors' Report on Regulated Agreements and Commitments

Dear Shareholders,

In our capacity as your company's auditors, we present to you our report on regulated agreements and commitments.

It is also our responsibility to inform you, based on the information provided to us, of the characteristics and essential terms and conditions of the agreements and commitments that have been brought to our attention or that we may have found during our audit, without our being required to comment on their usefulness or relevance, nor to search for the existence of other agreements and commitments. According to the provisions of Article R. 225-31 of the French Commercial Code, it is your responsibility to assess whether it is in your interest to enter into these agreements and commitments before approving them.

Moreover, it is our responsibility to inform you where appropriate of the information pursuant to Article R. 225-31 of the French Commercial Code related to the authorisation during the fiscal year just ended of agreements and commitments already approved by the General Meeting.

We have followed the procedures that we deemed necessary based on the accounting standards of the *Compagnie nationale des commissaires aux comptes* (French national association of auditors) relative to this audit. These procedures entailed verifying the consistency of the information provided to us with the source documents from which it was derived.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

Agreements and commitments approved during the fiscal year just ended

Pursuant to Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments for which prior authorisation was granted by your Board of Directors.

1- Forgiveness of debt granted to Gameloft GmbH (Germany)

Director concerned: Michel Guillemot

Nature and purpose:

On 24 September 2010, your Board of Directors authorised a forgiveness of debt to Gameloft GmbH (Germany) equal to 748,755 euros, following an act under private seal dated 1 October 2010.

Terms and conditions:

This forgiveness of debt was granted with a clawback provision, stipulating that if within five fiscal years starting from the end of the fiscal year during which the forgiveness of debt occurred (starting from the fiscal year ending 31 December 2015) the accumulated net income of Gameloft GmbH exceeds 800,000 euros, the debt will be reinstated. This reinstatement must not have the effect of rendering negative equity capital.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved in prior fiscal years

Pursuant to Article R.225-30 of the French Commercial Code, we have been advised that the following agreements and commitments, approved in prior fiscal years, were performed during the fiscal year just ended.

1- License agreement with Ubisoft Entertainment SA

Directors concerned: Christian, Claude, Gérard, Michel, and Yves Guillemot

Nature and purpose:

On 28 January 2009, your Board of Directors authorised the signing of a license agreement with Ubisoft Entertainment SA, under which Ubisoft Entertainment granted to your company a license to develop, promote and distribute video games belonging to Ubisoft Entertainment SA for the Apple iPhone, iPod touch and iPad.

Terms and conditions:

This license was granted in return for the payment of royalties proportional to the sales figures posted by Gameloft SA.

During the fiscal year, the total royalties amounted to 1,338,884.20 euros.

2- Trademark licence contract with Ubisoft Entertainment SA

Directors concerned: Christian, Claude, Gérard, Michel, and Yves Guillemot

Nature and purpose:

On 24 August 2003 your Board of Directors authorised the signing of a trademark licence contract with Ubisoft Entertainment SA, under which Ubisoft Entertainment granted to your company a licence to operate trademarks that it owns or for which it was granted a licence to operate. This licence contract took effect retroactively as of 1 April 2002.

Terms and conditions:

The trademark licence was granted in return for the payment of royalties proportional to the sales figures posted by Gameloft SA.

During the fiscal year, the total royalties amounted to 596,235 euros.

3- Distribution contract signed with Longtail Studios Inc.

Directors concerned: Christian and Gérard Guillemot

Nature and purpose:

On 20 January 2006, your Board of Directors authorised the signing of a contract with Longtail Studios Inc. for the distribution of *Love Triangle: Dating Challenge*, a video game for mobile telephones. Under the terms of this contract, Longtail Studios Inc. grants worldwide distribution rights to the *Love Triangle: Dating Challenge* mobile game to Gameloft SA in return for the payment of a royalty equal to 50% of the revenues earned by Gameloft SA on sales of the game. This licence contract took effect retroactively as of 1 July 2005.

Terms and conditions:

During the fiscal year, the total royalties amounted to 11,427.83 euros.

Rennes, 28 April 2011

The Auditors

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5.2 Combined General Meeting of 22 June 2011

5.1.1 Ordinary Portion of the Meeting

First Resolution (*Approval of individual financial statements and discharge of the directors*) – The General Meeting, voting in accordance with the quorum and majority conditions required for ordinary general meetings and having read the Board of Directors' management report on the fiscal year ended 31 December 2010, and the general auditors' report on the financial statements for said fiscal year, approves the financial statements for this fiscal year, as presented, which show a net book profit of 9,814,599.30 euros.

The General Meeting notes that the financial statements for the fiscal year just ended do not take into account non tax-deductible expenses, as provided by Article 39-4 of the French General Tax Code.

The General Meeting therefore grants the directors full discharge of their duties for the fiscal year just ended.

Second Resolution (*Allocation of profit*) - The General Meeting, voting in accordance with the quorum and majority conditions required for ordinary general meetings and having read the Board of Directors' management report on the company's position and activity during the fiscal year ended December 31, 2010 and the general auditors' report for said fiscal year, resolves to allocate the profit totalling 9,814,599.30 euros on December 31, 2010 to losses carried forward.

The General Meeting also notes that no dividends were distributed during the last three fiscal years.

Third Resolution (*Approval of the consolidated financial statements*) - The General Meeting, voting in accordance with the quorum and majority conditions required for ordinary general meetings and having read the Board of Directors' management report on the fiscal year ended December 31, 2010, and the auditors' report on the consolidated financial statements for said fiscal year, approves the consolidated financial statements drawn up in accordance with Articles L. 233-16 et seq. of the French Commercial Code, as presented, which show a profit of 13,566,374.44 euros.

Fourth Resolution (*Special auditors' report on the agreements and commitments provided by Article L. 225-38 et seq. of the French Commercial Code*) - The General Meeting, voting in accordance with the quorum and majority conditions required for ordinary general meetings, acknowledges the special report drawn up by the auditors on the agreements and commitments provided by Articles L. 225-38 et seq. of the French Commercial Code and approves the agreements and commitments referred to in this report under the conditions set out in Article L. 225-40 of said Code.

Fifth Resolution (*Appointment of a new director*) - The General Meeting, on the recommendation of the Board of Directors and after consulting with the Appointments and Compensation Committee, appoints Ms Marie-Thérèse Guiny in the capacity of a director for a term of six years which will expire at the end of the Ordinary General Meeting of shareholders called to approve the financial statements of the fiscal year ending December 31, 2016.

Sixth Resolution (*Directors' fees*) - The General Meeting, voting in accordance with the quorum and majority conditions required for ordinary general meetings, and having read the Board of Directors' management report and after consulting with the Appointments and Compensation Committee, sets the maximum annual total to divide among the members of the Board of Directors as Directors' fees at 150,000 euros until decided otherwise.

Seventh Resolution (*Authorisation allowing Gameloft SA to buy back its own shares*) - The General Meeting, voting in accordance with the quorum and majority conditions required for ordinary general meetings and having read the Board of Directors' report, and in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, authorises the Board of Directors and grants it sub-delegation authority to trade in the company's shares on the stock exchange for all purposes authorised or which may be authorised by the laws and regulations in force, including in particular to:

- cancel them through a reduction of capital within the limits established by law, subject to adoption of the thirteenth resolution below;
- implement any company stock option plan as provided by Articles L. 225-177 et seq. of the French Commercial Code;
- issue bonus shares as provided by Articles L. 225-197-1 et seq. of the French Commercial Code;
- issue or sell shares to employees to allow them to benefit from the company's growth or as part of the creation of an employee savings plan, under the conditions provided by law;
- retain and deliver them in exchange or as payment for future external growth operations initiated by the company, mergers, split-ups or contributions, in accordance with recognised market practices and applicable regulations;
- ensure the liquidity of Gameloft's stock and stimulate the market on which it is traded through a liquidity contract made with an investment services provider that complies with an ethics charter recognised by the AMF.

This programme would also be aimed at allowing the company to complete operations for any other purpose which is or may be authorised by the laws or regulations in force. In this case, the company would inform its shareholders through an official statement.

The maximum number of shares which the company may purchase is set at 10% of the total number of shares comprising the company's capital, with the stipulation that the number of shares purchased by the company in order to retain and subsequently deliver them as payment or exchange in connection with a merger, split-up or contribution may not exceed 5% of its capital. In theory, the maximum number of shares that may be purchased based on the number of shares existing on 31 December 2010 is 7,508,292.

The maximum purchase price per share is set at 7 euros. The total amount which the company can spend to buy back its own shares may not exceed 52,558,044 euros.

However, in the event of operations involving the company's capital, including in particular a capital increase through the capitalisation of reserves, bonus issue of shares, stock split or consolidation of shares, amortisation of capital, or any other operation involving the capital, the General Meeting authorises the Board of Directors to adjust the above purchase price in order to take into account the effect of these operations on the share value.

The shares may be purchased, sold, exchanged or transferred either on the market, by private agreement or otherwise, by any means and, in particular, through transfers of blocks of shares, options transactions or by using any derivative instrument, and at the times chosen by the Board of Directors, including in the event of a tender offer, in accordance with the regulations in force and within the limits specified therein.

This authorisation is granted for a period of 18 months starting on the date of this meeting. It replaces the authorisation granted by the General Meeting of 24 June 2010 for the unused portion.

To ensure that this authorisation is carried out, all powers are vested in the Board of Directors, with sub-delegation authority, to decide how to implement this authorisation, to specify the terms and conditions of such implementation, if necessary, to carry out the buyback programme and, in particular, to place all stock orders, sign all agreements for the purpose of maintaining records of share purchases and sales, make all declarations to and complete all formalities with the AMF and any other entities and, in general, take whatever action is necessary.

Eighth Resolution (*Powers for formalities*) – The General Meeting grants the bearer of a copy or excerpt of the minutes of this Meeting full power to file all documents and complete all formalities required by law wherever necessary.

5.1.2 Extraordinary Portion of the Meeting

Ninth Resolution (*Authorisation to be granted to the Board of Directors to reduce the company's share capital through the cancellation of shares*) – The General Meeting, voting in accordance with the quorum and the majority conditions required for extraordinary general meetings and having read the Board of Directors' report and the special Auditor's report, authorises the Board of Directors, in accordance with Article L. 225-209 of the

French Commercial Code, to cancel, at its own discretion, on one or more occasions, within the limit of 10% of the total number of shares comprising the company's capital as of the date of the operation, per 24-month period, any or all of the shares acquired under the authorisation approved by this General Meeting in its seventh resolution and to reduce the issued share capital accordingly, and charge the difference between the purchase price of the cancelled shares and their par value to additional paid-in capital and distributable reserves and, up to 10% of the cancelled capital, to the legal reserve.

This authorisation is granted for a period of 18 months, starting on the date of this meeting. It replaces the authorisation granted by the General Meeting of June 24, 2010 in its seventh resolution.

To ensure that this authorisation is carried out, all powers are vested in the Board of Directors, with sub-delegation authority, to implement this authorisation and, in particular, to carry out the cancellation(s) and reduction(s) of capital, decide the number of shares to cancel, note the completion of the capital reduction and amend the Articles of Incorporation accordingly, complete all necessary formalities and procedures with and make all declarations to all entities and, in general, take whatever action is necessary.

Tenth Resolution (*Authorisation to be granted to the Board of Directors to approve an increase in the company's share capital through the issue of shares and/or securities of any kind granting entitlement to the company's capital, with pre-emptive rights*) - The General Meeting, voting in accordance with the quorum and the majority conditions required for Extraordinary General Meetings and having read the Board of Directors' report and the special auditors' report, and in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code and in particular Article L. 225-129-2 and Articles L. 228-91 et seq. of the French Commercial Code:

1 - authorises the Board of Directors to approve and carry out a share capital increase, on one or more occasions, in France and abroad, in the proportion and at the times it deems appropriate, through the issue, with shareholders' pre-emptive rights, of ordinary shares of the company and securities of any kind granting entitlement to the company's capital, with the stipulation that the shares and other securities may be subscribed for either in cash or by offsetting of claims, either in whole or in part, by capitalisation of reserves, earnings or issue premiums, or, under the same conditions, to approve the issue of securities giving a right to the grant of debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code;

2 - sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting;

3 - resolves that the maximum nominal amount of share capital increases that may be carried out immediately and/or in the future under the above authorisation is set at five million euros, to which will be added, where applicable, the par value of the additional ordinary shares to be issued in order to protect, in accordance with applicable laws and regulations, the interests of holders of securities granting entitlement to capital, with the stipulation that this amount will be included in the total maximum amount of any capital increase set in resolution fifteen of this General Meeting;

4 - resolves, moreover, that the maximum nominal amount of debt securities granting entitlement to the capital which may be issued under the above authorisation, cannot exceed 30 million euros or the equivalent of this amount if they are issued in a foreign currency or a currency unit based on several currencies, with the stipulation that this amount applies to all debt securities which the Board of Directors is authorised by this General Meeting to issue;

5 - in the event that this authorisation is used by the Board of Directors, it is decided that:

- shareholders have, in proportion to the amount of their shares, a pre-emptive right on a non-reducible basis;
- the Board of Directors will also be authorised to grant shareholders the right to subscribe, on a reducible basis, for a number of securities that exceed that for which they could subscribe on a non-reducible basis, in proportion to the share rights they have and within the limit of their request;
- if the subscriptions on a non-reducible and, where applicable, a reducible basis, do not take up the entire capital increase, the Board of Directors may, under the conditions provided by law and in the order that it deems appropriate, use one and/or more of the following powers:
 - limit the increase of capital to the amount of subscriptions received, on the condition that this amount is at least three-fourths of the approved increase;

- freely distribute all or part of the shares or, in the case of securities granting entitlement to the capital, said securities for which the issue was approved but which were not subscribed for;
- offer to the public, through a public offering, all or part of the shares or, in the case of securities granting entitlement to the capital, said unsubscribed securities, on the French market and/or abroad and/or on the international market.

6 - notes that, where applicable, the above delegation automatically implies, for the benefit of holders of the securities granting entitlement to shares of the company that may be issued pursuant to this resolution, a waiver by shareholders of their pre-emptive right to the new shares to which these securities give a right;

7 - resolves that the Board of Directors will have full powers, with sub-delegation authority under the conditions provided by law, to implement this authorisation for purposes that include determining the dates and terms and conditions of the issues as well as the form and characteristics of the securities being created; determining the prices and conditions of the issues, setting the amounts to be issued, and setting the subscription date and the dated date, which may be retroactive, of the shares to be issued; determining the method of payment of the shares and other securities issued, the listing of the shares created, the financial servicing of new shares and the exercise of the rights attached thereto; charging, where applicable, the capital increase expenses to the amount of the premiums related thereto and deducting from this amount the sums needed to supply the legal reserve; making all adjustments aimed at taking into account the impact of operations, such as a change in the share's par value, capital increase through capitalisation of reserves, bonus issues of stocks, stock splits or consolidation of shares, distribution of reserves or any other assets, amortisation of the capital, or any other operation related to shareholders' equity capital, and, where applicable, establishing the terms and conditions under which the rights of holders of securities granting entitlement to the capital will be protected; noting the completion of each capital increase and amending the Articles of Incorporation accordingly and, in general, entering into all agreements, particularly to ensure the successful completion of the proposed issues, and taking all measures and completing all formalities required for the issue under said authorisation;

8 - resolves that this authorisation nullifies any previous authorisation having the same purpose;

9 - resolves, moreover, that, in the event of an issue of debt securities granting entitlement to capital, the Board of Directors will have full powers, with sub-delegation authority under the conditions provided by law, to decide whether or not these securities are subordinated, to set their interest rate and interest repayment terms, the term, the fixed or variable redemption price, with or without a premium, the amortisation terms based on market conditions and the conditions under which these securities will entitle the holder to the company's shares.

Eleventh Resolution (*Authorisation to be granted to the Board of Directors to approve an increase in the company's share capital through the issue of shares and/or securities of any kind granting entitlement to the company's capital, without pre-emptive rights*) - The General Meeting, voting in accordance with the quorum and majority conditions required for extraordinary general meetings and having read the Board of Director's report and the special auditors' report, and in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, and in particular Articles L. 225-129-2, L. 225-135, L. 225-136, and the provisions of Articles L. 228-91 et seq. of said code:

1 - Authorises the Board of Directors to approve and carry out a share capital increase, on one or more occasions, in France and abroad, in the proportion and at the times it deems appropriate, through the issue, without shareholders' pre-emptive rights, of ordinary shares of the company and securities of any kind granting entitlement to the company's capital, with the stipulation that the shares and other securities may be subscribed for either in cash or by offsetting of claims, either in whole or in part, by capitalisation of reserves, earnings or issue premiums or, under the same conditions, to approve the issue of securities giving a right to the grant of debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code.

2 - Sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting.

3 - Resolves that the maximum nominal amount of share capital increases that may be carried out immediately or in the future under this authorisation is set at five million euros, which will include, where applicable, the par value of the additional ordinary shares to be issued in order to protect, in accordance with applicable laws and regulations, the interests of holders of securities granting entitlement to capital, with the stipulation that this amount will be included in the total maximum amount of any capital increase set in resolution fifteen of this General Meeting.

4 - Resolves that capital increases that may be carried out pursuant to this authorisation may take the form of a private offering intended for qualified investors or a small number of investors, under the conditions set out in Article L225-136 of the French Commercial Code and up to a maximum of 20% of the share capital, with the stipulation that this maximum amount will be included in the maximum amount set in the sixteenth resolution of this General Meeting.

5 - Resolves, moreover, that the maximum nominal amount of debt securities granting entitlement to the capital which may be issued under the above authorisation may not exceed 30 million euros, or the equivalent of this amount if they are issued in a foreign currency or a currency unit based on several currencies, with the stipulation that this amount applies to all debt securities which the Board of Directors is authorised by this General Meeting to issue.

6 - Resolves to cancel pre-emptive rights of shareholders to the shares and other securities that may be issued under this resolution. It is understood that the Board of Directors may grant shareholders a preferred subscription right to all or part of the issue during the period and under the conditions established by it in accordance with applicable laws and regulations. This preferred subscription right will not result in the creation of negotiable rights but may, if the Board of Directors deems appropriate, be exercised on both a non-reducible and reducible basis.

7 - Resolves that, if the subscriptions of the shareholders and the public do not take up the entire issue of shares or securities, the Board of Directors may, in the order it deems appropriate, use any of the following powers:

- limit the capital increase to the amount of the subscriptions, on the condition that this amount is at least three-fourths of the approved increase;
- freely distribute all or part of the unsubscribed shares.

8 - Notes that, where applicable, the above authorisation automatically implies, for the benefit of holders of the securities granting entitlement to shares of the company that may be issued pursuant to this resolution, an express waiver by shareholders of their pre-emptive right to the new shares to which these securities give a right.

9 - Resolves that the amount of the consideration received or potentially received at a later date by the company for each share issued or to be issued pursuant to this authorisation, given the issue price of detachable stock warrants if such warrants are issued, will be at least equal to the minimum price stipulated by applicable laws and regulations as of the date of issue.

10 - Resolves that the Board of Directors will have full powers, with sub-delegation authority under the conditions provided by law, to implement this authorisation for purposes that include determining the dates and terms and conditions of the issues as well as the form and characteristics of the securities being created; determining the prices and conditions of the issues, setting the amounts to be issued, and setting the subscription date and the dated date, which may be retroactive, of the shares to be issued; determining the method of payment of the shares or other securities issued, the listing of the shares created, the financial servicing of new shares and the exercise of the rights attached thereto; charging, where applicable, the capital increase expenses to the amount of the premiums related thereto and deducting from this amount the sums needed to supply the legal reserve; making all adjustments aimed at taking into account the impact of operations, such as a change in the share's par value, capital increase through capitalisation of reserves, bonus issues of shares, stock splits or consolidation of shares, distribution of reserves or any other assets, amortisation of the capital, or any other operation related to shareholders' equity capital, and, where applicable, establishing the terms and conditions under which the rights of holders of securities granting entitlement to the capital will be protected; noting the completion of each capital increase and amending the Articles of Incorporation accordingly and, in general, entering into all agreements, particularly to ensure the successful completion of the proposed issues, and taking all measures and completing all formalities required for the issue under said authorisation.

11 - Resolves that this authorisation nullifies any previous authorisation having the same purpose.

12 - Resolves, moreover, that, in the event of an issue of debt securities granting entitlement to the capital, the Board of Directors will have full powers, with sub-delegation authority under the conditions provided by law, to decide whether or not these securities are subordinated, to set their interest rate and interest repayment terms, the term, the fixed or variable redemption price, with or without a premium, the amortisation terms based on market conditions and the conditions under which these securities will entitle the holder to the company's shares.

Twelfth Resolution (*Authorisation to be granted to the Board of Directors to increase the number of shares to be issued in case of a capital increase, with or without pre-emptive rights*) - The General Meeting, voting in accordance with the quorum and majority conditions required for extraordinary general meetings and having read the Board of Directors' report and the special auditors' report, and in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code:

1 - authorises the Board of Directors and grants it sub-delegation authority, under the conditions provided by law, to increase the number of shares to be issued in the event of an issue of shares or securities granting entitlement to the capital, with or without pre-emptive rights, as described in resolutions ten and eleven, at the same price as that used for the primary issue, within 30 days of the subscription and up to a maximum of 15% of the number of shares in the primary issue;

2 - resolves that the nominal amount of the additional capital increase that may be carried out under this resolution will be included in the total maximum amount of any capital increase set in resolution fifteen of this General Meeting.

The authorisation thus granted to the Board of Directors is valid for a period of 26 months starting on the date of this General Meeting and nullifies any previous authorisation having the same purpose.

Thirteenth Resolution (*Authorisation granted to the Board of Directors to issue stock options to the group's employees and managers*) - The General Meeting, voting in accordance with the quorum and majority conditions required for extraordinary general meetings and having read the Board of Directors' report and the special auditors' report, and in accordance with the provisions of Articles L. 225-177 to L. 225-186 of the French Commercial Code:

1 - Authorises the Board of Directors to grant, on one or more occasions, to the staff members that it deems appropriate from among the employees and possibly the managers of the company and/or of the companies or groups of companies affiliated with it under the conditions set out in Article L. 225-180 of the French Commercial Code, options giving a right to subscribe for new ordinary shares of the company to be issued, as well as options giving a right to purchase existing ordinary shares of the company resulting from buybacks carried out by the company under the conditions provided by law, with the stipulation that, pursuant to the provisions of Article L. 225-182 of the French Commercial Code, the Board of Directors may not grant options to managers and employees of the company and of the companies or groups of companies affiliated with it under the conditions set out in Article L. 225-180 of the French Commercial Code who own more than 10% of the company's share capital.

The General Meeting also authorises the Board of Directors, pursuant to Article L. 225-185 of the French Commercial Code, to grant said options to the Chairman of the Board of Directors, the Chief Executive Officer and the Executive Vice Presidents, provided that at least one of the conditions defined in Article L. 225-186-1 of the French Commercial Code is met.

2 - Sets the term during which the authorisation granted under this resolution is valid at 38 months starting on the date of this General Meeting.

3 - Resolves that the number of ordinary shares that may be subscribed for or purchased by the recipients by exercising the options that will be granted by the Board of Directors under this authorisation may not exceed 3% of the number of shares comprising the share capital as of the date of the Board of Directors' grant decision, with the stipulation that the amount of the capital increases carried out under this resolution will be included in the total maximum amount of all capital increases set by resolution fifteen of this General Meeting.

4 - Resolves that the subscription or purchase price of the ordinary shares paid by the option recipients will be set by the Board of Directors on the date on which it grants the options to the recipients within the following limits:

- for options to subscribe for ordinary shares, the subscription price of ordinary shares may not, at the Board of Directors' discretion, be less than the average opening price quoted during the 20 trading sessions preceding the option grant date or the opening price of Gameloft's share on Euronext Paris on the date of the Board of Directors' decision, with the stipulation that, in any case, the subscription price of ordinary shares set by the Board of Directors may not be less than the threshold set in Article L. 225-177 of the French Commercial Code;

- for options to purchase ordinary shares, the purchase price of ordinary shares may not be less than the average opening price quoted during the 20 trading sessions preceding the option grant date or the average purchase price of the ordinary shares held by the company pursuant to Articles L. 225-177 and L. 225-179 of the French Commercial Code.

The price set for the subscription or purchase of ordinary shares may not be revised during the option period, subject to adjustments which the Board of Directors must make in accordance with the laws and regulations in force.

5 - Notes that the options may not be granted by the Board of Directors:

- within 10 trading sessions preceding and following the date on which the consolidated financial statements or, failing that, the year-end financial statements are made public;
- during the period between the date on which the company's governing bodies become aware of information which, if made public, could have a significant effect on the price of the company's shares and the date following the 10th trading session after this information is made public;
- less than 20 trading sessions after detachment from the shares of a coupon giving a right to a dividend or capital increase.

6 - Notes that, pursuant to the provisions of Article L. 225-178 of the French Commercial Code, this authorisation implies, for the benefit of the stock option recipients, an express waiver by shareholders of their pre-emptive right to the shares issued as and when the options are exercised. The share capital increase resulting from the exercise of stock options will be definitively completed solely by the declaration of the exercise of the option, accompanied by the subscription form and payment, in cash or by offsetting of claims, of the corresponding sum.

7 - Grants full powers to the Board of Directors, with delegation authority under the conditions provided by law, to:

- Set, according to the legal conditions and limits, the dates on which the options will be issued.
- Establish the list of option recipients, the number of options granted to each of them and the conditions under which the options may be exercised.
- Determine the period during which the options are valid (with the stipulation that the options must be exercised within a maximum period of 10 years).
- Set the option exercise date(s) or period(s), with the stipulation that the Board of Directors may (a) move up the option exercise dates or periods, (b) keep the options exercisable, or (c) change the dates or periods during which the shares obtained by exercising the options may not be sold or converted to bearer form.
- Set the exercise conditions and, if applicable, the criteria for granting the options and, in particular, limit, suspend, restrict or prohibit (a) the exercise of the options or (b) the sale of the ordinary shares obtained by exercising the options, during certain periods or from the date of certain events, and its decision may (i) apply to all or some of the options and (ii) involve all or some of the recipients. These conditions may include clauses prohibiting the exercise of the options during one or more periods and clauses prohibiting the immediate resale of all or some of the ordinary shares without the required share retention period exceeding three years from the exercise of the option, with the stipulation that, for options granted to the company managers, the Board of Directors must either (a) decide that the options may not be exercised by the interested parties prior to termination of their duties or (b) set the number of shares that they must keep in registered form until termination of their duties;
- Set the maximum percentage of options that may be granted to the executive directors with respect to the total amount defined in this resolution.
- Determine the dated date, which may be retroactive, of the new ordinary shares resulting from the exercise of the stock options.
- In the circumstances provided for by law, take the necessary measures to protect the interests of the option recipients under the conditions set out in Article L. 228-99 of the French Commercial Code.
- In general, enter into all agreements, draw up all documents, note the capital increases following the exercise of options, amend the Articles of Incorporation accordingly, where applicable, complete all necessary formalities, make all declarations to any entities and take whatever other action may be necessary.

8 - Resolves that, in the event that the options to subscribe for and/or purchase ordinary shares are granted to persons domiciled or residing abroad or to persons domiciled or residing in France but subject to a foreign tax scheme, the Board of Directors may revise the conditions that apply to the options to subscribe for and/or purchase ordinary shares to ensure that they comply with the provisions of the foreign law in question and receive the best possible tax treatment. To this end, the Board of Directors may, at its discretion, implement one or more sub-plans that apply to the various categories of employees subject to foreign law.

9 - Resolves that this authorisation nullifies, as of this day and for the portion not yet used, where applicable, any previous authorisation having the same purpose.

Fourteenth Resolution (*Authorisation to be granted to the Board of Directors to approve a share capital increase through the issue of shares reserved for those enrolled in a company savings plan*) – The General Meeting, voting in accordance with the quorum and majority conditions required for extraordinary general meetings and having read the Board of Directors' report and the special auditors' report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-1 et seq. of the French Labour Code:

1 - authorises the Board of Directors to approve a share capital increase, on one or more occasions and at its sole discretion, at the times and under the terms and conditions that it deems appropriate, through the issue of ordinary shares or securities granting entitlement to new or existing ordinary shares of the company, to be subscribed for in cash, reserved for those enrolled in a group savings plan offered by the company and/or companies or groups of companies affiliated with it under the conditions set out in Article L. 225-180 of the French Commercial Code;

2 - resolves that the nominal amount of the increase in the company's capital, whether immediate or in the future, resulting from all issues carried out under this authorisation is set at 1% of the amount of the share capital as of the date of the Board of Directors' decision, with the stipulation that the amount of the capital increases carried out under this resolution will be included in the total maximum amount set by the fifteenth resolution of this General Meeting;

3 - resolves to cancel, in favour of the aforementioned employees enrolled in one or more company savings plans, the pre-emptive right of shareholders to the ordinary shares or securities granting entitlement to ordinary shares to be issued under this authorisation;

4 - resolves that the subscription price of the shares or securities issued will be determined under the conditions defined in Articles L. 3332-18 to L. 3332-23 of the French Labour Code;

5 - resolves to set the maximum discount offered in connection with a savings plan at 15% of the average opening price of Gameloft's share on Euronext Paris during the 20 trading sessions preceding the date of the decision establishing the opening date of the subscriptions, with the stipulation that the Board of Directors may reduce this discount if it deems appropriate, such as in the case of an offer to those enrolled in a company stock savings plan on the international market and/or abroad in order to meet the requirements of applicable local law;

6 - resolves, moreover, that the Board of Directors may also allot to the aforementioned recipients bonus shares or other securities granting entitlement to the company's capital under the conditions prescribed by the laws and regulations, as a substitute for all or part of the discount referred to in paragraph 5 and/or as a matching contribution, with the stipulation that the benefit resulting from this allotment may not exceed the limits set out in Articles L. 3332-21 and L. 3332-11 of the French Labour Code;

7 - sets the term during which the authorisation granted under this resolution is valid at 26 months starting on the date of this General Meeting;

8 - resolves that each capital increase will be carried out only up to the amount of the shares subscribed for by the aforementioned recipients, either individually or via employees' mutual funds or open-end investment companies governed by Article L. 214-40-1 of the French Monetary and Financial Code;

9 - grants full powers to the Board of Directors, with sub-delegation authority under the conditions provided by law, to implement this authorisation in accordance with the conditions approved herein, for purposes that include:

- determining the characteristics, amount and terms and conditions of any issue;
- determining the companies and recipients involved;
- deciding whether the shares can be subscribed for directly by those enrolled in a savings plan or via employees' mutual funds or open-end investment companies governed by Article L. 214-40-1 of the French Monetary and Financial Code;
- determining the nature and the terms and conditions of the capital increase, as well as the terms and conditions of the issue;
- where applicable, establishing the conditions, including seniority, that the recipients must meet in order to subscribe for the new ordinary shares or securities to be issued as part of the capital increases covered by this resolution;
- setting the amounts of these issues and determining the subscription prices, the terms and conditions of the issues of shares or securities carried out under this authorisation, including in particular their dated date, and the terms and conditions of their payment and delivery;
- determining the opening and closing dates of the subscriptions;
- noting or to have noted the completion of the capital increase by the issue of ordinary shares up to the amount of the ordinary shares actually subscribed for;
- on its own decision and if it deems appropriate, charging, where applicable, the expenses and professional and other fees resulting from such issues to the issue premiums and deducting, where applicable, the sums needed to supply the legal reserve from the issue premiums;
- in general, completing all acts and formalities, taking all decisions and entering into all appropriate or necessary agreements in order to (i) ensure the successful completion of the issues carried out under this authorisation and, in particular, for the issue, subscription, delivery, dividend entitlement, listing of the shares created, financial servicing of the new shares and exercise of the rights attached thereto, and (ii) note the final completion of the capital increase(s), amend the Articles of Incorporation accordingly and (iii) complete all necessary formalities to carry out the capital increases and, in general, take whatever action is necessary.

10 - resolves that this authorisation nullifies any previous authorisation having the same purpose.

Fifteenth Resolution (*Total maximum amount of the capital increases*) - The General Meeting, voting in accordance with the quorum and majority conditions required for extraordinary general meetings and having read the Board of Directors' report, resolves to establish, in accordance with Article L. 225-129-2 of the French Commercial Code, the total maximum amount of the capital increase that may result, immediately or in the future, from all issues of shares and/or securities granting entitlement to the capital carried out pursuant to the authorisations and powers stipulated in resolutions ten, eleven, twelve, thirteen and fourteen of this General Meeting, at a total nominal amount of 10,000,000 euros.

It is hereby stipulated that the aforementioned amount does not include the par value of shares that may be issued in connection with the adjustments made, in accordance with the law and applicable contractual provisions, to protect the rights of holders of securities granting entitlement to the company's capital.

Sixteenth Resolution (*Powers for formalities*) - The General Meeting grants the bearer of a copy or excerpt of the minutes of this Meeting full power to file all documents and complete all formalities required by law wherever necessary.